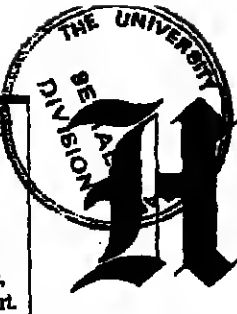


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In Britain, Danish Approval Gives Pact a Boost

By John Darnton
LONDON — Bolstered by the Danish about-face in favor of the Treaty on European Union, the British government expected the House of Commons to approve the treaty Thursday and predicted ratification by early autumn.

But how far-reaching that dream would be is still problematic. Both Britain and Denmark tance to draw closer to the Continent, and that the ambitious dream of European unity will take a major step toward reality.

and the British Parliament has wrangled over it more than 200 hours. All this has had the unintended effect of revealing just how thin the support for a united Europe is in many quarters.

ing in the one bit of good news his government has seen in months, tailored his words of reaction carefully. He sought to avoid arousing British fears of being dictated to by unelected bureaucrats in Brussels.



1 and immobilized rioter lying in a street in central Copenhagen. Violent protests erupted early Wednesday following the Danes' approval of the Maastricht treaty.

ies on Both Sides of Treaty Back Police Shooting

over the referendum result, which ended a year of economic uncertainty. Prime Minister Poul Nyrup Rasmussen moved swiftly to exploit the vote, announcing tax cuts and an economic growth package. The central bank cut interest rates by 1 point to 8.25 percent.

Sociologists said the riot by about 300 squatters, anarchists, students and unemployed youths reflected not only opposition to the Maastricht treaty, which is supported by the Danish establishment, but also general frustrations with Danish society, especially with high unemployment.

There was no immediate criticism of the police on Wednesday, despite the television images of officers firing into a crowd of rioters. The police actions were backed by supporters and by opponents of Maastricht.

The riot turned Nørrebro, only two kilometers from the elegant city center, into a wasteland of burned barricades, loose bricks and broken glass. The area was quiet on Wednesday.

Gold, Dazzling Again, Appears Headed for a Volatile Summer

NEW YORK — As gold hit its highest level since the Gulf War and then dropped back a bit, market specialists reckoned Wednesday that financial uncertainty would keep prices volatile through the summer unless governments decided in cool them off by selling their own stocks.

Gold hit a high of almost \$384 an ounce Wednesday in London, before slipping back to \$381.90 at the fixing, a gain of \$10 on the day. New York followed the same pattern, reaching a high of \$383.50 before a wave of buying hysteria was calmed by producers unloading from Russia, Australia and South Africa, pushing it down to \$374.20.

physical market with a small decline. But 30-year Treasury bonds, the market bellwether for the inflation fears that have been driving financial markets recently, stayed weak to yield 7.03 percent interest after crossing the psychological divide of 7 percent Tuesday.

All eyes Wednesday were on gold, the classic protection against inflation. It has shot up almost 17 percent from its \$327 closing on March 9, the lowest it had been in seven years.

In the Chinese Hinterland, Taxman Sows Bitter Seeds

GUIYANG, China — The worst part about being a peasant like Luo Qingguo is not the pang of hunger or the sooty shack in which his family lives. The real torment comes when the tax collectors show up on shiny new motorcycles and confiscate rice and cash, leaving Mr. Luo unable to feed or clothe his four children.

Mr. Luo, 36, in tattered clothes and bare feet, said his family earned the equivalent of \$38 last year, not enough to buy clothes. Two of his sons, aged 5 and 10, were naked below the waist.

These are difficult times for China's 900 million peasants. With the spring sowing under way, tensions are rising as peasants are being squeezed again by rising costs, illegal taxes and corrupt officials.

There are a few tentative signs of peasant unrest. This year in Renzhou County in Sichuan Province, 1,000 peasants wielding rods, scythes and rocks attacked officials who were demanding levies to build a highway. Later on, said a Chinese who saw the revolt, 10,000 peasants, or more than half the county's residents, burned a police car and damaged the homes of the township leaders.

Kiosk

Stocks Surge as Interest Rates Fall

U.S. stocks soared to a record close on Wednesday, as falling interest rates and an easing in gold prices cheered up a market that had been worried about inflation in recent sessions. The blue-chip Dow Jones industrial average pierced the 3,500 level for the first time. It rose 55.64 points, ending at 3,500.03.

Bond prices rose, and the yield on the key 30-year Treasury issue dropped below 7 percent. The lower interest rates set off computer-driven strategies that resulted in heavy stock purchases. Technology and transportation issues were among the biggest gainers in the stock market. (Page 11)

Starting Over
Restructuring businesses and economies. Next in the series. In Monday's IFT: Britain has pulled out of a three-year recession that claimed two million jobs. But can it now escape the dismal cycle of boom-to-bust twists that have punctuated its steady economic decline?

Dow Jones	Trib Index
Up 55.64	Up 0.71%
3,500.03	100.22
The Dollar	
New York, West, close, previous close	
DM 1.6231 1.6247	
Pound 1.5445 1.5394	
Yen 110.60 111.475	
FF 5.47 5.4785	

Pie in the Sky: Airlines Offer All the World's Fare

NEW YORK — As planes settle into their cruising altitudes for the high travel season this summer, vacation-bound travelers may be surprised at what flight attendants dispense from the food carts.



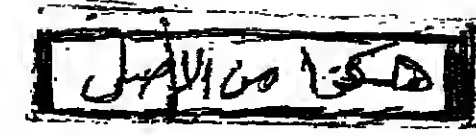
those who fly frequently on business, order special meals like seafood or vegetarian plates for variety.

There could be pizza from Pizzeria Uno on American Airlines, Muslim dinners for some passengers on Kivi International Air Lines, kosher hamburgers for children on El Al, salt-free grilled tomatoes for a passenger with high blood pressure flying in Air France economy class and a choice between Western and Indian meals on Air India.

Among the more exotic special meals are the pepper-free meal on Japan Air Lines and the raw vegetarian meal on Lufthansa. The Greek Orthodox and Ethiopian meals served on El Al for Lent or other special observances are also kosher, as is all the food on that airline. Some of the airlines that serve the Far East have noticed that an increasing number of Western passengers order Asian meals.

These choices, plus new meals for children, like McDonald's cheeseburgers on United Airlines flights to and from Orlando, Florida, have evolved from requests by passengers. And in the cutthroat contest to fill seats, an airline that does not provide a special meal for a customer with special needs could lose that passenger to the competition. Possibly for good.

See MEALS, Page 2



WORLD BRIEFS

Asian Nations Remind U.S.: This Is Where the Action Is

By Michael Richardson International Herald Tribune

SINGAPORE — Asia-Pacific nations worried that the Clinton administration will cut United States military power in the region, are taking advantage of tensions between the United States and Europe to emphasize that American forces are welcome in the western Pacific.

As differences sharpened between the United States and its European allies over a common approach to the fighting in Bosnia, Poul Keating, the Australian prime minister, told Americans on a breakfast television program that they should turn to Asia and the Pacific for economic security.

"I make this point to you," he said. "The United States has got about 200 billion U.S. dollars of trade in the Atlantic. It has got about 300 billion dollars in the Pacific. The Pacific is the area of high-income growth. Europe is the area of low-income growth."

Mr. Keating added that the message from the Asia-Pacific region to the United States was: "Don't be too mournful about NATO waving good-bye. Don't be too upset at newfound European independence. Come over here where the growth is greater, where the people really want you."

In recent days, several Asian leaders have also been pushing a similar theme in public speeches and in talks with senior American officials, while seeking to contain trans-Pacific disagreements over such issues as trade imbalances, human rights and democracy.

Some have called for increased regional trade liberalization, to reduce problems with the United States and make it easier for Washington to justify forward deployment of U.S. forces in the Pacific.

"It is in Asia's self-interest to help restore America's economic competitiveness," said Prime Minister Goh Chok Tong of Singapore at an international conference in Tokyo last week. "One way is for Asia to open its markets wider to U.S. exports."

American readiness to help shape a new security order for the Asia-Pacific area after the end of the Cold War will be tested in Singapore on Thursday and Friday when senior officials from 12 nations in the region meet to set an agenda for a ministerial conference in July. The United States, Japan, Australia, Canada, New Zealand, South Korea and members of the Association of South East Asian Nations will participate.

Winston Lord, the assistant secretary of state for East Asian and Pacific Affairs who will lead the U.S. delegation at the Singapore meeting, said Wednesday that he would emphasize America's "enduring commitment to the region's security" during the talks.

He said that the Clinton administration would maintain American "alliances, our forward military presence and our commitment to Asia because we believe stability here contributes to maintaining peace and prosperity not only in Asia, but for the United States as well."

The ASEAN countries are Indonesia, Malaysia, the Philippines, Singapore, Thailand and Brunei. The bulk of U.S. forces in East Asia are stationed in Japan and South Korea.

Since nationalists in the Philippine Senate voted to compel the United States to abandon bases in the Philippines last year, other countries in Southeast Asia have provided U.S. forces with access to their territory for joint training, repairs and logistical support to help sustain the American military presence in the region.

Almost every East Asian nation wants the Americans to stay because they play a central role in the balance of power, said Jose T. Almonte, a retired general who serves as national security adviser to the Philippine president.

The United States is "the only country able to exert enough authority to restrain Japanese, Chinese and North Korean military ambitions," he said.

Paradoxically, East Asian support for continued American security engagement has increased with the end of the Cold War because of concerns that stability and economic growth will be upset if U.S. forces in the region are withdrawn as rapidly as were those of the former Soviet Union.

While economic growth in East Asia in recent years has been the fastest in the world, it could be undermined by territorial disputes in such potential military flashpoints as the Korean Peninsula and the South China Sea.

China, Taiwan, Vietnam, Malaysia, the Philippines and Brunei have conflicting claims to the Spratly Islands, which lie near vital trade routes through the South China Sea leading to Japan. The seabed around the widely scattered islands may contain rich reserves of oil and natural gas.

William Perry, the U.S. deputy secretary of defense, told the conference in Tokyo that the Spratlys were "a potential source for regional conflict that could engage many of the region's nations and threaten passage through the critical sea lanes that traverse the South China Sea."

Mr. Goh said that a United States that remained engaged in the region would make it easier for China, Japan, South Korea, ASEAN and the countries of Indochina to have comfortable relationships with each other.

He warned, however, that if Japan lost confidence in the American security umbrella, it would "seek means to protect itself" that would alarm its neighbors.

"China and Korea will be the first to react, triggering off further alarm bells in Southeast Asia," Mr. Goh said. "Political relationships across the region will become less predictable. Anxiety will set in. Economic growth will slow down."

Singapore's Proposal Singapore has proposed for a new Asia-Pacific security arrangement that is more open and international to ensure global peace, wire services reported Wednesday.

Former Prime Minister Lee Kuan Yew, speaking in Beijing on Tuesday, said that the arrangement would require the setting up of a new multilateral organization either under the United Nations or a new international body.

"It may be futuristic and idealistic, but if it doesn't happen within the next 20 to 30 years, with so many nuclear powers, you can imagine the kind of dangers the world will face," Mr. Lee told Singapore reporters accompanying him.

"The size of China's displacement of the world balance is such that the world must find a new balance in 30 to 40 years," Mr. Lee said. "It's not possible to pretend that this is just another player. This is the biggest player in the history of man."

Mr. Lee said the United States recognized the nature of the new world order, using multilateral bodies like the Conference on Security and Cooperation in Europe and the United Nations to seek order in the former Soviet empire.

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France Moves to Tighten I.D. Checks PARIS (AP) — The French cabinet proposed rules Wednesday that would make it easier for the police to carry out spot identity checks, a move that civil-rights groups fear may lead to the harassment of foreigners.

Under the proposals, a police officer can demand the papers of anyone, regardless of the person's behavior, if the officer feels that the public order is threatened. The police previously had to demonstrate that the person had done something to warrant being stopped. The police will also have the right to demand identity papers within 50 kilometers (20 miles) of a French border or at ports, airports and train stations.

The proposed changes are the latest in a series of law-and-order measures adopted by Prime Minister Edouard Balladur's government since conservatives won an overwhelming majority in the National Assembly in March.

Colombian Jetliner Reported Missing BOGOTA (Reuters) — A Colombian passenger plane carrying 125 passengers was reported missing shortly before it was due at Medellin airport on Wednesday, a radio report said.

The RCN radio network said the Boeing 727, owned by the Colombian airline SAM, was on a flight from Panama to Bogota and had been missing for more than an hour. RCN said the plane was scheduled to land at Medellin at 3 P.M. The radio report quoted civil aviation authorities as saying two rescue helicopters were sent to look for the plane.

Kohl, in Turkey, Seeks Better Ties ANKARA (Reuters) — Chancellor Helmut Kohl of Germany began a visit to Turkey on Wednesday hoping to improve sometimes strained relations, especially over neo-Nazi attacks on Turkish workers.

"In this visit I'm sure we will touch on unfortunate incidents and tensions between us," Mr. Kohl said on his arrival. "The true purpose of my visit is to remove such misunderstandings."

Mr. Kohl will be trying to ease tensions over attacks on Turkish workers in Germany, as well as periodic disagreements over human rights, the Kurdish question and Ankara's aspirations to join the European Community. The German leader was to hold talks with President Suleyman Demirel, who was elected Sunday following the death of President Turgut Ozal last month.

For the Record Israeli soldiers shot and killed two Palestinians in the occupied West Bank city of Hebron on Wednesday, the army said. Soldiers fired tank missiles to drive the two out of a house in which they had taken refuge. When the men tried to flee through a window, troops shot. Israelis have killed 29 Palestinians this month.

TRAVEL UPDATE Malaysia is studying the creation of a second airline to co-exist with national carrier, Transport Minister Ling Liong Sik said on Wednesday, a radio report said.

China's first high-speed train is expected to come off line in October, the China Daily reported Wednesday. A train, which has a maximum speed of 200 kilometers per hour and a normal speed of 160 kilometers per hour, successful test runs, the paper said.

President Mary Robinson of Ireland has unveiled Ireland to Annie Moore, believed to be the first of 12 million to pass through the gateway for immigration to America. The statue shows the young Irishwoman looking hopeful.

Rail workers in Bohemia held a one-hour strike Wednesday to press for higher wages, the CTK press agency trade union representative was quoted as saying that a would be held within two weeks if salary demands were met.

MEALS: All the World's Fe (Continued from page 1) nated the heavier said London broil you eat, but it's still airline food can it be? Airline executives say offered special meals of they can remember. But the ber of choices — including kosher, Muslim, Hindu, diabetic, lactose-free, gluten-free, low sodium, low cholesterol, baby food, peanut butter and jelly sandwiches and lacto-ovo vegetarian — has grown. Over all, a relatively small percentage of passengers — no more than about 5 percent — request special meals. But some airlines, notably Lufthansa, Delta and United, report that this number is increasing. Neil Monroe, a spokesman for Delta, whose requests for special meals have doubled in recent years, said that by providing healthier, lighter food, the carrier hoped the need to provide some special meals would decline. "The special meals themselves may not be more expensive, but the extra handling required on the ground and in the air adds to our costs." On some flights, such as New York to Miami, where many of the passengers are elderly and have special dietary requirements, special meals can account for up to 40 percent of the cabin. "Serving special meals is usually not a problem," said Tracy Brog, a flight attendant for Delta. "But on a short flight like from La Guardia to West Palm Beach, when you have 300 passengers and 100 special meals, it gets pretty hectic." The average cost for food on a major U.S. carrier was \$5.86 a passenger last year, up from \$5.70 in 1991 and \$4.21 in 1985, according to Avitas, a consulting company in Reston, Virginia. The growing use of brand names, such as "I Can't Believe It's Yogurt" on American, added to the expense. Most carriers will not disclose how much they spend on a coach dinner. But at Air France, an average dinner costs \$6. "You can do a lot with vegetables to make them look good," said Kurt Lackner, director of catering operations for United. "You can serve couscous, Basmati rice and grains like that so it's not always just carrots and plain white rice." Not everybody is convinced. "In some cases, the food is improved," said Ms. Sanders of Frequent Flyer. "It's simpler — they have elim-

Cambodia Readies For Risky Election

By William Branigan Washington Post Service

PHNOM PENH — Cambodian political parties held their final election rallies on Wednesday after a six-week campaign marred by what the United Nations said was an "unacceptably high level" of political violence and the risk of more to come.

But despite the worst conditions for UN-supervised elections that international peacekeepers have faced, the UN special representative, Yasushi Akashi, and other top officials vowed Wednesday to press ahead with six days of balloting starting Sunday.

At stake is not only the political future of this nation, ravaged by war for two decades, but also the credibility of a \$1.7 billion UN peacekeeping mission that has been held up as a model for future UN operations. There are doubts, however, about whether the United Nations is up to such tasks.

Addressing staff members at his headquarters on Wednesday, Mr. Akashi, a Japanese who heads the 32,000-member UN Transitional Authority in Cambodia, said the elections should be held "in spite of obstacles, dangers and intimidation" that UN officials have attributed to the Phnom Penh government and to its arch-enemy, the radical Khmer Rouge guerrillas.

The Khmer Rouge, which ruled Cambodia brutally to the late 1970s and by some estimates was responsible for the deaths of 2 million people, was ousted by a Vietnamese invasion in 1978. The Khmer Rouge pulled out of a 1991 peace accord it signed with the Hanoi-installed Phnom Penh government and two non-Communist factions. It now threatens to forcibly prevent the elections on grounds that they will perpetuate the current administration.

In an interview, Mr. Akashi said the Khmer Rouge could "disrupt" the elections but "cannot stop them." He said Khmer Rouge military strength had reportedly increased by half, to 15,000 fighters since last year, because of efforts to "remobilize" guerrillas who had returned to peasant farming in Khmer Rouge zones.

He said a new group of commanders who are "more disciplined, more single-minded and more hard-line" has emerged in key leadership positions.

On Wednesday, about 4,000 people gathered here for a heavily guarded, UN-sponsored rally at which candidates of 17 of the 20 parties vying for 121 National Assembly seats took turns making final campaign speeches. The government's ruling Cambodian People's Party did not take part.

In a news conference, Prime Minister Hun Sen said the government was prepared to transfer "all assets and inventories of the state" to the election victors should his party lose. He has predicted a landslide victory, however, contending that opinion polls show the party winning 70 percent of the vote. Some analysts doubt that any party can get a majority.

While Khmer Rouge violence represents a major threat to the UN's ability to hold the elections in many locations, UN officials said the fairness of the exercise has already been widely undermined by the government in Phnom Penh. Dennis McNamara, the head of UN force's human-rights division, said investigations showed that government forces were involved in about half the reported cases of political violence or intimidation in the last 10 weeks.

UN officials said that as many as 200 people had been killed during that time in politically motivated attacks, but that the authorities had not prosecuted a single person despite numerous UN investigations identifying offenders.

Mr. McNamara said his office had recommended that half a dozen officials of the government or security forces be disqualified by the United Nations from running or voting in the elections.

Mr. Akashi said he was considering using his mandate to disqualify at least one "really big" official. He said a report by the human rights group Asia Watch was "too harsh" in its criticism of the UN force for failing to rein in abuses by the Phnom Penh government.

Asia Watch said it found great laxity in the UN's control of the authorities. It was mandated to monitor. Two UN administrators supposedly supervising the Ministry of National Security, for example, could not describe the activities of various departments, including the key counter-terrorism and foreigner-surveillance sections, Asia Watch said.

In the interview, Mr. Akashi portrayed himself as struggling for attention and resources from UN headquarters in New York and competing for experienced administrators with such other trouble spots as Bosnia.

A recent order from New York to evict the demonstrators of employees of UN agencies here was issued without consulting him and "sent the wrong signal" to Cambodians, he said.

"We were all startled and unhappy," Mr. Akashi said. "The timing was unfortunate, just as hundreds of international polling station officials were coming to Cambodia."

He said the decision was subsequently "revised."

Asked whether the United Nations was capable of taking on such major peacekeeping and administrative missions in the future, Mr. Akashi said "I'm not so sure."

He described the UN structure as inadequately equipped for such tasks and said he had "many battles with New York" in trying to staff and run the UN force.



A JEEP DEAL — Lebanese soldiers checking out vehicles in Beirut on Wednesday that were part of a shipment of U.S. aid.

PEASANTS: In the Chinese Hinterland, Taxman Is Sowing Bitter Seeds

(Continued from page 1)

peasants be repaid their money with interest. In a number of areas, peasants have stopped farming because high taxes and the government's low purchase price for grain make agriculture a money-losing venture. In a county in Anhui Province, one-third of the peasants left all their land idle, a secret government document reported. Many of the rest cultivated only part of their land.

In its first few decades of Communism, China glorified peasants, making them a symbol of the new China. During the Cultural Revolution, in the 1960s and '70s, physicists and poets and other intellectuals were banished to villages to learn from the peasants.

Then, in the early 1980s, the government began a far-reaching series of agricultural changes that allowed peasants to sell a part of what they farmed at near-market prices. The measures gained broad support among the peasants, and so in recent years, diplomats and scholars have been more sensitive to the risk of protests by urban students or workers.

But agricultural growth is trailing the industrial boom, and now there is growing recognition that the peasantry may also pose a danger to the government. While industrial growth last year was 20.8 percent, agricultural production rose by only 3.7 percent.

Chinese press reports also indicate that throughout the country, peasants are being taxed illicitly — above a 5 percent limit — by local officials trying to gild their coffers.

The peasants' discontent is tempered by disorganization, however, and both are evident in the hillside villages here in Guizhou, a stony and hilly southern province.

A sturdy, talkative 35-year-old woman voiced anger about the fees she and her family of five had to pay: grain tax, land fees, head tax, local management tax, educational fees, contri-

butions to the families of military soldiers. Altogether, she paid 17.5 percent of her family's gross annual income, plus more than one-third of the grain her family brought in last year.

During a province-wide harvest battered by two months of drought, the authorities raised the fee for pumping water for crops from 44 cents an hour in 1991 to 53 cents last year — or three days' income for an average peasant in Guizhou. An average worker in Beijing pays about 6 cents for every 100 of water, or a tiny fraction of a cent for an hour's use of water.

Provincial officials in Guiyang have denied that they overtax residents in the countryside, but a group of peasants standing by the road quickly waxed indignant as they discussed the fees and taxes. Still, they expressed no concept of any possibility of resistance.

"It's not a matter of guts," said Peng Dagu, a 60-year-old peasant in a remote village who paid 16 percent of his grain in tax last year. "There's just nothing you can do."

Underlying problems in rural areas, the economic boom of China's coastal areas has bypassed many of the mud-brick villages where peasants live. While the quality of life in rural areas is clearly far better than a decade ago, the pace of improvement seems to be considerably slower than in the cities.

Last year, the average peasant earned less than half of what city dwellers did. One measure of the gap is the ratio between total take-home pay in rural and urban areas. When subsidies to city dwellers and taxes on farmers are taken into account, an urban resident's income rises to four times as much as a peasant's.

Most city dwellers pay no taxes — neither an income tax nor a sales tax — while peasants pay various taxes on grain and cash. In part, this may be because officials believe peasants will eventually pay without protest, while the authorities are deeply apprehensive of offending

urban workers who can organize easily and might take to the streets. Local governments are not only charging peasants more in fees and taxes, but also are becoming bolder in demanding illegal fees that go into their own pockets.

In Shandong Province, one county raised \$700,000 from charges to peasants, according to another secret government document. Officials illegally diverted more than \$200,000 to build township office buildings, buy new cars, renovate the houses of government officials, buy office equipment, give bonuses and pay for health care and other welfare services for officials, the document said.

The local governments also sometimes do not pay cash for the grain they buy from the peasants. In the last few years, local bureaus have often paid "white slips," or IOUs, to the peasants, redeeming them with cash months later.

Now they have "green slips" to worry about as well. These are IOUs that local post offices give out to peasants who receive money orders. It is common for peasants working in the cities to send money back to their families using these money orders, but now the recipients sometimes have to wait for months to cash in their green slips.

The cash shortage in rural areas also means that some people are not getting paid. For some teachers in rural areas of Hunan Province, the most recent paycheck came in October, the official Peasant Daily reported in April.

Alarmed about the difficulties faced by peasants, the government issued a regulation in December 1991 to limit the total amount of fees and taxes on peasants to 5 percent of the previous year's income. But conversations with nearly two dozen peasants in several villages outside Guiyang indicated that they were typically paying taxes and handing over grain that together totaled one-sixth to one-third of incomes.

"We have not gotten satisfactory answers from Japan, and we will continue to pressure them relentlessly," said Mr. Yexia. "They can benefit in other areas."

Contrary to the expressed wishes of the French government, Washington is unilaterally opposed to reopening last November's U.S.-EC farm trade arrangement, known as the Blair House agreement for the official Washington guest house where it was concluded.

Dean Kleckner, head of the powerful American Farm Bureau lobby, told reporters in Paris that Congress would reject any GATT deal that did not limit subsidized European farm exports by at least as much as the Blair House pact.

He said U.S. farmers were disappointed that the accord did not set firmer limits on EC oilseed production and that European farmers were not aware of how much their own subsidies distort global agricultural trade.

With France's new government vowing to block the deal, Mr. Yexia said he expected Paris to "kick and scream" as negotiations progressed, but ultimately to go along with the pact rather than risk a break with its EC partners. "Even though they feel they lost out in the agricultural negotiations," Mr. Yexia said, "they can benefit in other areas."

The U.S. administration, while expressing growing interest in a GATT deal, remains reluctant to give up any trade weapons as part of an overall trade bargain, officials said. But Ms. Tyson said the White House expected to limit the use of Section 301 of the U.S. trade act or a restored "Super 301" provision to alleged unfair trade practices "not covered by GATT."

Section 301 allows Washington to impose sanctions on other nations if it concludes that foreign companies are engaged in actions that harm American trade.

Woman Leads German State The Associated Press KIEL, Germany — The first woman to be a premier in Germany was sworn in Wednesday in the northern state of Schleswig-Holstein. Heide Simonis, 49, the former state finance minister, had been acting premier since the resignation of Björn Engholm on May 3.

Black N.Y. Teacher Wins \$400,000 in Rights Case

New York Times Service

NEW YORK — A federal jury has ordered officials of the City University of New York to pay Leonard Jeffries \$400,000 for violating his free speech rights by removing him as chairman of the Black Studies department at City College after he made a 1991 speech criticized as anti-Semitic.

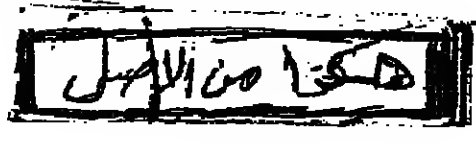
The jury assigned damages individually to each of six officials who were found to have violated Mr. Jeffries' rights. He had named 15 officials in his lawsuit.

Mr. Jeffries had sought \$25 million in punitive damages from the 15, but he said Tuesday that he was pleased with the final verdict. "I think the message is clear that there is freedom of speech, that that umbrella stretches to African people," he said.

"Certainly the university is a place issues should be raised and controversial issues should be seriously discussed," he said. "But this didn't take place in this case. The media lynching and the academic cowardice becomes very revealing."

He contended that he had been removed from his post because of a speech in which he said Jews and the Mafia had conspired to belittle blacks in the movies and that Jews had helped finance the slave trade.

University officials tried to show to the jury that he was deposed only because he was an incompetent administrator. The jury found they acted because of the speech. The judge, Kenneth Conroy, must still rule on whether Mr. Jeffries should be reinstated, but that is not expected for several weeks.



STATESIDE / CONCESSION TO POLITICAL REALITY

Gay Lawmaker Suggests a Compromise With Military

By John Lancaster
Washington Post Service

WASHINGTON — Representative Barney Frank, a leading advocate of homosexual rights, has urged the gay community to accept a compromise that would fall short of President Bill Clinton's pledge to allow homosexuals to serve openly in the military. Mr. Frank, a Massachusetts Democrat who is openly homosexual, described his proposal as a concession to political reality. Congress will not support the president's intention to lift the ban on homosexuals in the military, he said, adding that without a workable compromise, the gay community could be left with nothing. "Self-delusion is not a good basis for making important policy," Mr. Frank said in an interview. "I don't know anyone who follows this regularly who thinks we can win. I am thoroughly convinced that this is the best we can do."

At a news conference on Tuesday, Mr. Frank outlined a compromise that would allow gays and lesbians to remain in the military so long as they did not reveal their sexual orientation while on duty. They would, however, be able to conduct an openly homosexual lifestyle while off base with no fear of reprisal, Mr. Frank said. "It's a policy that says, 'Don't ask, don't tell, and don't listen, and don't investigate,'" Mr. Frank said. "Basically, the policy is 'Don't start, don't get into the whole thing.'"

Mr. Frank's plan is similar in some respects to the compromise pushed by Senator Sam Nunn, Democrat of Georgia, chairman of the Senate Armed Services Committee and the most prominent congressional obstacle to Clinton's plan. Mr. Nunn's proposal, dubbed "don't ask, don't tell," has gained favor among administration officials who share Mr. Frank's

conclusion that the president would not succeed in forcing a total lifting of the ban past Congress.

With Mr. Frank now supporting a compromise, the president has gained some valuable political cover that should help protect him against charges of renegeing on a pledge to end discrimination against homosexuals in uniform.

"It's important in two ways," an administration official said of Mr. Frank's plan. "It represents a seasoned judgment by someone who wants to lift the ban about what the traffic will bear in Congress, and it should serve to restrain some of the more unrealistic expectations of gays and lesbians about what can be done on a practical level."

But Mr. Frank's comments prompted expressions of dismay from gay-rights advocates who have mounted a fervent campaign to hold the president to his word.

"I don't think we need to accede to this particular version of reality," said Thomas B. Stoddard, director of the Campaign for Military Service, a coalition of gay-rights groups. "We're in the fourth inning. We don't know what's going to happen at the end of the game."

Mr. Frank, however, said the battle had already been lost. "I don't think the campaigning has been productive," said Mr. Frank, who described the recent gay-rights march on Washington as a political failure. The grass-roots organization hasn't been there. The fact is that members of Congress have heard far more from opponents than from supporters.

The Pentagon also is studying a compromise modeled on Mr. Nunn's proposal. A working group is to make a recommendation to Defense Secretary Les Aspin by next week, with the goal of submitting a draft executive order to the White House by July 15.

★ POLITICAL NOTES ★

Justice Nominee Drops Membership in Club

WASHINGTON — Webster Hubbell, President Bill Clinton's choice for the No. 3 job at the Justice Department, told the Senate Judiciary Committee on Wednesday that he had resigned from a virtually all-white country club in Arkansas. Mr. Hubbell, whose membership in the club has clouded his nomination as associate attorney general, told the panel that he did not want perceptions about "some lack of sensitivity" to hamper his work at the department. The chairman of the committee, Joseph R. Biden Jr., told Mr. Hubbell that he respected his decision, but said he hoped that others in the Little Rock club would continue to work against any lingering discriminatory practices. In his opening statement at a confirmation hearing, Mr. Hubbell told senators that for years he had "worked within the club and with the African-Americans in our community to bring about diversity in the club." Mr. Biden noted that the Judiciary Committee in 1990 passed a resolution that it was "inappropriate" for nominees coming before the panel to have been members of clubs that discriminate. (AP)

Clinton Seeks to Quell Revolt on the Budget

WASHINGTON — President Clinton went to Capitol Hill on Wednesday to quell a revolt by conservative Democrats demanding that he replace the energy tax in his budget with more cuts in such benefits as Medicare. The president appeared to successfully rally support against the conservatives, saying his budget already "does a lot of what they want." Mr. Clinton's apparent refusal to give into demands by a conservative faction within his own party won the quick endorsement of the Democratic leadership in Congress, who predicted that the bill would pass next week in the House. The speaker of the House, Thomas A. Foley, told reporters after Mr. Clinton's morning meeting with House Democrats that there were no plans "at this time" to bring any of the conservative demands to a vote. The Senate majority leader, George Mitchell, said, "I think the caucus today indicated very strong support across the spectrum of our party in support of the president's program, and I think that there is a clear indication that we will pass the bill next Thursday." (NYT)

7-Member White House Travel Staff Is Fired

WASHINGTON — Seven longtime employees of the White House were dismissed on Wednesday for what a presidential spokesman said were serious problems in White House travel accounts. The seven nonpolitical career employees, some with 25 years of service, constituted the entire staff of the White House travel office. A presidential spokesman, Jeff Eller, said they had been dismissed after an audit by the Peat-Marwick accounting firm showed "a very serious lack of financial controls and a number of discrepancies in the financial records" of the travel office. That office arranges all official travel by White House staff members and also carries planes and handles other details of press travel on presidential trips. The dismissed staffers had been appointed to their jobs before the Clinton administration took office. The White House Press Secretary, Dee Dee Myers, said that the FBI had been contacted, but that it had not been determined whether the agency would investigate the matter. She said an FBI inquiry was likely, however. (Reuters, AP)

Quote / Unquote

The International Institute for Strategic Studies, in its annual review of world events, "Strategic Survey 1992-1993": "Despite calls for sacrifice and tax increases, confidence and hope have returned to the U.S. But unless the Clinton formula for recovery proves to be sound, and quickly, the ever-volatile American public can be expected to turn. There will be many who will still believe in sacrifice, but somebody else's sacrifice. A familiar gridlock between Congress and the administration will once again take hold." (Reuters)



Mr. Clinton playing with youngsters in south-central Los Angeles, the scene of rioting last year.

Abortion Battle Threatens To Derail Health-Care Plan

By Dana Priest
Washington Post Service

WASHINGTON — Just when it seemed that the national debate over abortion might take a backseat to a legion of pressing domestic issues, it has re-emerged as a threat to President Bill Clinton's plan to overhaul the health-care system.

Mr. Clinton, who campaigned on an abortion rights platform, plans to include coverage for abortions in the standard benefits package available to everyone under his comprehensive proposal, according to sources. Most private insurance policies include abortion services, and the president said last week that to exclude abortion would amount to a reduction in benefits for most insured working women.

Mr. Clinton has also asked Congress not to reimpose the Hyde amendment, which prohibits federally funded abortions, such as Medicaid-funded abortions for poor women. The administration has said it plans to fold Medicaid into its new health system.

Abortion is at most a peripheral component of the health proposal, whose major goal is to guarantee affordable, lasting coverage to all Americans regardless of their health and to tame health spending, which now makes up 14 percent of gross domestic product.

But the issue has the administration in a "panic," several officials said, because there is no obvious way to sidestep the acrimonious attention that abortion will receive. "The president and the task force want to discuss all at once, and not piece by piece," said Rob-

ert Boorsin, health-care task force spokesman.

It is also likely, sources said, that the plan will include a "conscience clause," to allow institutions and medical professionals morally opposed to abortion not to perform any. This would mean that if a certain health maintenance organization, for example, chose not to perform abortions it would have to contract with a facility that did perform them without additional cost to its patients.

White House officials hold open the possibility that Mr. Clinton could further delay presenting his plan until July, after passage of the budget reconciliation bill. The plan was originally to have been finished in early May.

Already the abortion rights and anti-abortion forces are mounting aggressive campaigns in Congress. Abortion is an issue that runs so deeply in American society, on both sides, that it, in and of itself, could be the issue that stops health reform in its tracks," said Bill Cox, chief lobbyist of the Catholic Health Association, which runs 600 hospitals and 300 long-term care facilities and opposes the inclusion of abortion in the package.

Governor Robert P. Casey of Pennsylvania, a Democrat, said in Washington that the package would be "dead on arrival" if it provided coverage for abortion. In a letter sent to Hillary Rodham Clinton, the task force leader, last week, 31 women in the House insisted that abortion be included in any proposal.

Also last week, the nation's Roman Catholic archbishops met in Chicago to discuss how best to oppose abortion without scuttling the larger goal of reform. ■ **Republicans Blocked** The House Judiciary Committee rejected, by 19 to 16, a Republican-led attempt Wednesday to modify abortion rights legislation by allowing states to require parental consent before a minor could have her pregnancy terminated. The legislation effectively would codify the Supreme Court's Roe v. Wade decision that legalized abortion nationwide, but which has been diluted in subsequent rulings.

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Angola Gets U.S. Recognition Clinton Rewards 'Strides Toward Democracy'

By Reuters

WASHINGTON — The United States on Wednesday recognized the formerly Marxist government of Angola. "This decision reflects the high priority that our administration places in democracy," President Bill Clinton said in an Oval Office announcement as he met Bishop Desmond M. Tutu of South Africa. Mr. Clinton said he had decided to recognize the government of President Jose Eduardo dos Santos, which is involved in a bitter war against Jonas Savimbi, a former U.S. ally, and his rebel UNITA movement, because it had made strides toward democracy. "Since taking office on Jan. 20, I have tried to use the possibility of United States' recognition as a le-

verage for promoting an end to the civil war and hostilities and hopefully the participation of all relevant political groups in the government of Angola," Mr. Clinton said. The president noted that UNITA had refused to sign a peace agreement with the Angolan government. "The Angolan government, by contrast, has agreed to sign that peace agreement, has sworn in a democratically elected national assembly, and has offered participation by UNITA at all levels of government," he said. "Today we recognize those achievements by recognizing the government and the republic of Angola." He urged UNITA to accept a negotiated settlement.

Symbolic Issue Resolved

Steven A. Holmes of The New York Times reported from Washington: Administration officials say recognition of the government of President Jose Eduardo dos Santos had been withheld until now in an effort to get both sides to negotiate in good faith. But with UNITA's recalcitrance, there appeared little more to be gained by continuing that policy. "It doesn't seem to have as much relevance any more," an administration official said of recognition. "It's more a symbolic issue." After backing Portugal in the 1960s and early '70s in its war against guerrilla groups seeking independence, the United States at first funneled covert funds through the Central Intelligence Agency to one of the three factions fighting in the civil war that followed Portuguese withdrawal in 1975. But that support ended when Congress that same year approved the Clark Amendment, which prohibited covert financing of guerrilla groups in the Angolan conflict. Then the Reagan administration, alarmed by Moscow's backing of the dos Santos government, began to offer arms to UNITA. The Reagan administration made much of the fact that the Angolan government was being helped by Cuban troops, whose number reached a high of 50,000. Yet, the war was never a straightforward ideological conflict, but rather a matter of ethnic rivalries and often confusing alliances. For example, while the United States refused to recognize the Luanda government and provided military support to its enemy, it maintained trade relations. Because of the country's rich oil reserves, which were pumped by U.S. oil companies, America was Angola's foremost trading partner. But to ensure a continued flow of oil revenues, the Luanda government at times stationed troops provided by America's putative enemy — Cuba — to guard American oil installations from attacks by American-backed guerrillas. After the collapse of communism, a peace treaty was signed between the warring parties in 1991. In September, the country's first multiparty elections were held. Mr. dos Santos defeated Mr. Savimbi in the race for the presidency in balloting that was certified as free and fair by the United Nations. But Mr. dos Santos failed to achieve an overall majority. Before the second round of voting could take place, Mr. Savimbi, who charged that the election had been rigged, once again took up arms.

Away From Politics

- Parts of the Colorado and Gunnison rivers are closed to rafters. Mesa County residents are bracing for expected weekend flooding caused by the melting of heavy snow in the mountains.
- A month before South Dakota's governor, George Mickelson, died in a plane crash, U.S. regulators proposed going ahead with inspections of the type of propeller on the twin-engine Mitsubishi MU-2 suspected as the cause of the accident, documents show. The Federal Aviation Administration had not acted before the crash April 19. Three days after it, agency officials said they would "probably have to accept" such inspections. The National Transportation Safety Board had been pressing since August for the inspections.
- An English-only ordinance in Miami has been repealed by Dade County's newly elected and ethnically diverse commissioners. The repeal ended a 13-year ban on foreign languages in county government. Today more than half of the county's residents speak Spanish. Six Hispanics, four blacks and three whites are on the commission.
- The Mars Observer spent eight days pointing the wrong way — the spacecraft's fourth malfunction — but engineers believed they were well on their way to fixing the problem. A new computer program was radioed to the satellite, returning it to normal operation and reducing the chance the problem will recur.
- Six months before the New York mayoral election, blacks continue to express overwhelming approval of Mayor David N. Dinkins, while whites overwhelmingly disapprove, according to the latest New York Times/WCBS-TV poll. Meanwhile, his support among Hispanic New Yorkers has faded. Still, Mr. Dinkins remains the favorite in the Sept. 14 Democratic primary, outpacing his nearest rival, City Council President Andrew J. Stein, by more than 30 percentage points among registered Democrats. But if the main election were held now rather than Nov. 2, the survey showed it would be a toss-up between Mr. Dinkins and his Republican-Liberal challenger, Rudolph W. Giuliani.
- Eighteen men and a dog named Rogne Wane were rescued in the Pacific Ocean after their midget vessel sank off Kiribati, the National Oceanic and Atmospheric Administration said Tuesday. The agency said the captain of the ship, Evelyn da Rosa, radioed for help when the vessel began taking on water. The fishermen transferred to a raft, which had a radio beacon that sent a signal to a satellite that is part of an international search and rescue system.
- A former salesman got his foot in the door at Pittsburgh City Hall, winning the Democratic nomination to succeed Mayor Sophie Masloff. Pittsburgh's self-proclaimed "Jewish grandmother," State Representative Thomas J. Murphy easily defeated four opponents in the Democratic primary and is considered all but certain to win the fall election against the lone Republican to enter the race, Kathleen Matta. Pittsburgh has not had a Republican mayor in 60 years. (AP, NYT)

How to make an international call without Sprint Express.

How to make an international call with Sprint Express.

- 1 Get your hands on some of the local currency. But be aware the large bills won't fit in your tiny American wallet.
- 2 Get some change to use in that interesting-looking phone booth on the corner.
- 3 Through you don't speak the language, try to tell the local operator you want to talk to Soemworek, Poland. (Hint: hand gestures won't help.)
- 4 Dust off your foreign language phrasebook and look for the page on "using the telephone" (It's right after how to say "We have lost our luggage" and "Stop, thief!")
- 5 Look for the number of the party you're trying to call. Get ready to tell them how successful and relaxing your trip has been so far.
- 6 Back at the hotel, ask to see your bill. Notice that last night's calls to Fumatur, Tuvatu have cost you a week's pay. Rather than get an ulcer over it, seek some relief and now look for a better way next time.

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JAVICO 150

EUROPEAN TOPICS

Not Exactly the Ritz, But It Has Its Warmth

A Swedish entrepreneur, Nils Yngve Bergqvist, is delighted with his new hotel — even as it disappears. For ARTic Hall, in the Lapland town of Jukkasjärvi, is made entirely of ice.

It features a large ice bar (Mr. Bergqvist suggests guests have a whisky before curling up in their sleeping bags for the night), a theater, a jazz club, and a chapel with reindeer-fur-covered pews.

Bed and breakfast in one of the 10 rooms costs \$40 to \$45 a night, reasonable-sounding unless one is bothered by the absence of doors, closets and of course heat. About 800 tourists stayed at ARTic Hall this year; each is given a survival certificate. With summer coming, the hotel will soon vanish. But Mr. Bergqvist is already planning a bigger and more elaborate version.

Around Europe

France's immediate awarding of the Legion d'Honneur to three heroines of the recent hostage-taking in Neuilly-sur-Seine brought divided reactions among the British about their own honours system. A London journalist, Rebecca Stephens, has just become the first British woman to climb Mount Everest, which prompted calls for a break with what The Times calls the "lead-footed British honours system."



THE BIRDIE'S THAT WAY — Chancellor Helmut Kohl grinning as he swirled Prime Minister Felipe Gonzalez around for photos. The Spanish leader arrived in Bonn on Wednesday.

Britain's Peerage, insists that honors should remain hard to come by. "The more there are," he says, "the more common it makes them."

The London-Glasgow mail train that inspired W. H. Auden's poem "Night Mail" has made its last run. The Traveling Post Office — also famous for having been attacked on Aug. 8, 1963, in what became known as the Great Train Robbery — is giving way to greater use of airplanes, though about two dozen other Traveling Post Offices will

continue to run on routes elsewhere in the country.

Violent crime and theft increased last year in reunited Germany. Overall crime increased by nearly 10 percent in Western Germany, led by bag-snatching, break-ins and car thefts. No reliable figures were available for Eastern Germany for 1991, but crime was also rising there.

Nearly one-third of Britons feel uncomfortable in elegant restaurants. A survey commissioned by producers of Muscadet wine

found that many fear being mocked by waiters or made to look ridiculous in front of friends. Diners were put off by French restaurants that did not translate menus into English; they were uneasy about the ritual of wine-tasting, unsure how much to tip (61 percent don't) and puzzled about which fork and knife to use. And in the end, 75 percent of people aged 18 to 25 said they left restaurants unhappier than when they had arrived.

Brian Knowlton

Scandal Widens to Engulf Genoa Mayor

Compiled by Our Staff From Dispatches

GENOA — The city's mayor, Claudio Burlando of the former Communist Party, was arrested Wednesday on charges of theft and abuse of power, judicial sources said.

Mr. Burlando, 39, was arrested along with an aide, Antonio Imperato, and four other people in connection with allegations, which involve the construction of a tunnel in the city center. Mr. Burlando was the first mayor of a major city arrested in the scandals that have resulted in the arrests or investigations of hundreds of politicians since February 1992.

The tunnel was to have been completed last year in time for celebrations marking the 500th anniversary of Christopher Columbus's arrival in the Americas, but it remains unfinished.

Investigators are looking into allegations that there were payments for work never carried out on the tunnel, which has already cost some 90 billion lire (\$60 million) and will need some 21 billion lire more to be finished.

The other men arrested in the case were Emanuele Romanengo, a businessman, and three city employees, Filade Fiorini, Giovanni Villa and Giacomo Pese.

Mr. Burlando and the Democratic Party of the Left, the renamed Communists, have headed a coalition municipal government since December.

In a related development, judicial sources said the head of the German electronics firm Siemens AG's Italian subsidiary, based in Milan, had also been arrested on suspicion of corruption.

Giorgio Scavacca, 60, president of Siemens Telecommunication and managing director of Siemens SpA, was detained Tuesday on the orders of Milan magistrates. The sources said the arrest of Mr. Scavacca was linked to allegations of kickbacks to parties paid in exchange for contracts with the state telephone company, ASST.

According to an ANSA news agency report, Mr. Scavacca is accused of paying 2.2 billion lire in bribes to secure business with ASST, which was controlled by the

national post office until last year, when it was transferred to the state industrial holding Istinto per la Ricostruzione Industriale. Foreign electronics companies have come increasingly under the spotlight as magistrates probe the telephone business, one of the few areas of state activity in which international companies could win a good share of contracts. Last week, the police arrested Sandro Galasso, administrator of the Genoa-based Marconi SpA, which is controlled by Britain's GEC Marconi, and Giovanni De Guzzis, director-general of the Swedish giant Ericsson's Ericsson Fatme. Both men are accused of paying bribes to win business with ASST. (AFP, AP, Reuters)

Ragged 'Old Fritz,' a Tribute to Survival

By Marc Fisher

Washington Post Service

LETSCHIN, Germany — As statues go, this hamlet's Frederick the Great is neither big nor bold, neither inspiring nor original. Almost lost on a green across from the village parking lot, Letschin's bronze likeness of Prussia's enlightened despot shows a scrawny, bug-eyed soldier leaning on a too-short walking stick.

But the story of how Old Fritz got here is one even the children know, a saga that, like the sturdiest of folk tales, tells of unlikely heroes besting omniscient authority. It is the true story of simple village folk conspiring against their rulers, of nine men who, powered by Prussian pride and near-bear, stood up to the Communist Party and the secret police.

From 1905 to 1945, Letschin, like many other Prussian towns, devoted a place of honor to its 1.5-meter figure of the 18th-century ruler who built not only military might but the dams, roads and local government that would push his nation toward modernity. Letschin, until World War II a busy little trading town of 3,200 souls, was proud that its Old Fritz, unlike 90 percent of the village's buildings and more than a third of its residents, survived this century's two horrible wars with only a single shrapnel scar.

But after the war, when Germany was divided and Letschin placed in Communist East Germany, the ideologues in charge decreed Frederick the Great to be a warmonger and a symbol of Prussian evil.

By 1948, before many millions of Germans had even found their way home from the ravages of war and exile, the Communist state government had ordered statues of Old Fritz in Letschin and hundreds of other villages, toppled.

But within days after Letschin's Old Fritz was taken down, a few courageous souls — well, actually, the village drunks — had re-

claimed the statue from police custody and reinstalled it in the central square. They had been joined by Wolfgang Bartsch, an innkeeper, the statue's chief defender and the toast of Letschin these days.

Again and again, the townspeople reclaimed and restored the half-ton Fritz, only to see the village cop haul him down again.

"It was like a theater here," Mr. Bartsch said. Finally, in 1949, after four re-segregation relocations, Communist authorities in Potsdam ordered Old Fritz sent to a scrap heap in Frankfurt.

Letschiners bade farewell to Old Fritz with a funeral march. But the statue was returned the following day. The scrap yard refused delivery, saying the figure was "historic."

The government next arranged for Old Fritz to be transported to a smelter. But the smelters refused it, insisting that the paperwork was improperly prepared.

Back in Letschin, the local office of the People's Police received an order to dump the statue. The authorities dutifully buried Old Fritz in a graveyard and posted a 24-hour police guard at the site.

One week later, after a strategy session at the town pub, Herta Voss, then a younger woman of particular charm, was sent to the gravestone to distract the bored watchman. Miss Voss, now 82, is still a bit coy about the incident. "The police kept coming to us and asking, 'Where is the Old Fritz?'" she recalled. "And we only looked dumbly at him and said we had no idea what he was talking about."

Miss Voss and her co-conspirators took possession of the statue in a nighttime raid and hid it between two cucumber sites on Hans Golt's farm. And there Old Fritz remained, tilted against a tower of hay, for 36 years.

By 1986, many East Germans began to notice

a general easing of state oppression. Watching West German television, for example, was no longer grounds for firing.

Mr. Bartsch and others in Letschin used the occasion of the village's 650th anniversary to test the depth of the change.

On July 19, 1986, at 11:15 P.M., nine men completing an evening at Mr. Bartsch's bar adjacent to the Golt farm, liberated Old Fritz and placed him in the village center, presiding over the Letschin bus stop.

"Sure, we were afraid," Mr. Bartsch said. "But we learned ways to get around the system. We knew the police would come, but we knew we'd be O.K. if everyone stayed together."

East Germany may have been evolving, but the new attitudes had not yet reached the provinces. The village teacher saw the statue brigade out of his window and called the school director, who called the regional party secretary, who called the regional police chief, who ordered his men to hustle over to Letschin, confiscate the statue and have it melted down.

Eager to prevent any public uprising, the local council announced that the statue would be sent away for restoration, and then erected in the town park. By the time the restoration was completed, the East German revolution was under way.

Old Fritz was reinstalled on a new granite pedestal in June 1990.

During the dedication festivities, Mr. Bartsch presented Mayor Anna Dorkow with a Frederick the Great figure. Today, the mayor, long since deposed as a politically tainted relic of the Communist era, says she is proud to have been honored with the "gift."

"That was no gift," Mr. Bartsch said. "That was a warning. It may seem light now, but this was our way of saying we weren't going to be bossed around by those party types."

Attali to Sue Over Plagiarism Charge

Agence France-Press

PARIS — Jacques Attali, the president of the European Bank for Reconstruction and Development, said Wednesday that he would sue for libel after a magazine accused him of plagiarism in his new book.

The French weekly Le Nouvel Observateur said at least 43 passages of 10 to 40 lines each were plagiarized by Mr. Attali in his book "Verbatim," which was published by the Fayard publishing house last month.

Mr. Attali said he could not "accept being accused of plagiarism" by the magazine and said he had asked his lawyer to begin libel proceedings against the weekly.

The book is written in the form of notes taken by Mr. Attali between 1981 and 1986, when he was a special adviser to President François Mitterrand of France, giving reflections or statements by Mr. Mitterrand and prominent figures received by the president during this period.

The Paris publisher Odile Jacob documented "all the elements of plagiarism" in Mr. Attali's work, Le Nouvel Observateur said.

Some of the passages under target were allegedly lifted from conversations between Mr. Mitterrand and the author Elie Wiesel. Mrs. Jacob said these conversations took place between 1987 and 1989, and were to

be used in a book by Mr. Wiesel and Mr. Mitterrand that is to be published by Mrs. Jacob's company.

Mr. Attali has acknowledged transposing some of the passages in time. But he said in a statement, "The truth is the following: I was present, because I initiated them, at the conversations François Mitterrand and my friend Elie Wiesel had with the idea of publishing a book."

Mr. Attali said he took notes on the exchanges, and a secretary at the presidential offices transcribed several of the conversations, which were recorded.

Mr. Attali said Mr. Wiesel recently told him that since the book on the conversations was not completed and the talks with Mr. Mitterrand had ended, Mr. Wiesel "planned to use these conversations in his own memoirs that he was working on."

"I informed him of my intention to do the same with only the president's words," Mr. Attali said.

Criticism against Mr. Attali over the new book was also made by Robert Badinter, a former justice minister who in the French newspaper Le Figaro on Wednesday questioned the accuracy of the notes on which Mr. Attali based the book.

Michel Martin-Rolland and Pierre Favier, who wrote a book titled "La Décennie Mitterrand," also asserted that Mr. Attali had made liberal use of their book "for inspiration without ever citing it."

Izvestia to Retain Its Independence, Court Decides

The Associated Press

MOSCOW — The hard-line legislature lost a round in its battle to control the press Wednesday when the Constitutional Court ruled that it had no right to take over the newspaper Izvestia. After deliberating for three days, the court ruled that the 76-year-old newspaper had a right to independence.

Izvestia's staff declared the newspaper's independence only days after the abortive August 1991 coup, then set about trying to build a reputation for objectivity after decades as a government mouthpiece.

But the paper was soon swept up in the struggle between Russia's liberalizers and the Supreme Soviet, which is dominated by hard-liners elected before the collapse of the Soviet Union.

Heinrich Albertz Dies, Nazi Foe Led West Berlin

The Associated Press

BERLIN — Heinrich Albertz, 78, a former mayor of West Berlin and a clergyman who opposed the Nazis, later to become a key figure in the West German anti-war movement, has died. He lived in Bremen since 1986.

Mr. Albertz, who once said he "lived in opposition," was a prickly

voice of the liberal conscience in Germany from the 1930s until a few years before his death. He was arrested by the Nazis during World War II for praying publicly for Pastor Martin Niemöller, who was imprisoned.

He succeeded his fellow Social Democrat, Willy Brandt, as mayor of West Berlin in 1966 but resigned

in 1967 in anger after the police shot and killed a student during a demonstration.

Stephen Chong, 52, a Hong Kong legislator for 17 years and a founding member of the British colony's fledgling Liberal Party, died Tuesday after a heart attack.

Said Bey Kryeziu, 82, a prominent Albanian exile and a govern-

leader in World War II, died Sunday in New York of heart failure.

Otis Edward Hearn, 84, a professor emeritus in the humanities at Columbia University and a scholar of 18th-century French literature, died Saturday in Portland, Oregon, of heart failure. He was authority on Diderot, the Encyclopedist, and wrote his biography in 1977.

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the more essential complications in a number of wristwatches. You can be assured that each represents the finest watchmaking in the world.

You may find your most treasured possession in the handsome tonneau-shaped, perpetual-calendar watch *fig. 4*. The unique combination of a fly-back date-hand showing the progression of the month, and a minute-repeater, is a refinement that took us about four years to develop.

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Our perpetual-calendar and chronograph combination *fig. 6* finds particular favour among collectors who

enjoy the finer points of mechanical watchmaking. Through the sapphire-crystal caseback, you can admire the exquisite hand-finish

of our movements and bring into play the precisely coordinated actions of the column-wheel, levers and gears *fig. 7*.

Impeccable workmanship is taken for granted by those who wear our watches. But if you choose one of the half-dozen or so slim, self-winding, perpetual-calendar repeaters *fig. 8* that we complete each year, you can expect much more. We have encapsulated in our most sophisticated wristwatch the ancient and authentic sound of time. Celebrate a moment — any moment — by making the mechanism ring the hours, quarters and minutes with the pure, clear resonance that only we have been able to achieve in a minute-repeater.

Those who consider a watch is just a watch, so long as it tells the time, will be gratified to learn that in this elegant wristwatch *fig. 9*, time is told both by a minute-repeater and by an observatory-rated chronometer. In it moves the most ingenious compensation device known to horological engineering. The rotating tourbillon cage literally absolves the watch's regulator from the laws of gravity — removing one of the last obstacles to the final frontier of mechanical precision.

But if you seek that extra dimension to time, to mark your achievement, to inspire your creativity or simply to enjoy sublime watchmaking, you will almost certainly wear one of our timepieces one day. You will then come to recognize the touch of the world's finest watchmakers *fig. 10*, and know that the name on the dial can only be Patek Philippe.



fig. 1: Einstein's daily inspiration.

fig. 2: Time on a cosmic scale in the Calibre 89 — the most complicated portable timepiece.

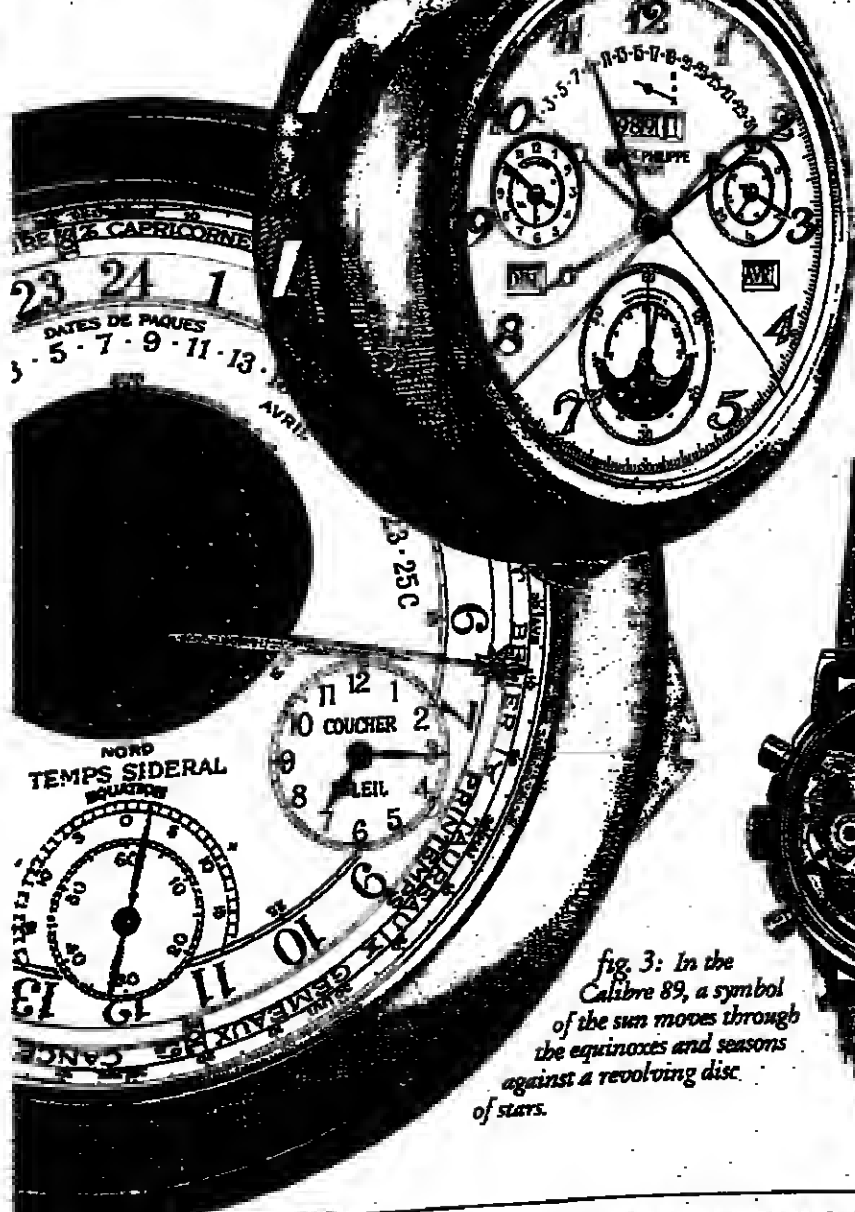


fig. 4: Ref. 5013. Self-winding, minute-repeating wristwatch with perpetual calendar, moon-phase and a retrograde date-hand, which flies back to the beginning of the month after reaching the 28th, 29th, 30th or 31st day. In Patek Philippe wristwatches, the buckle and the hidden pins that secure the strap are of gold.

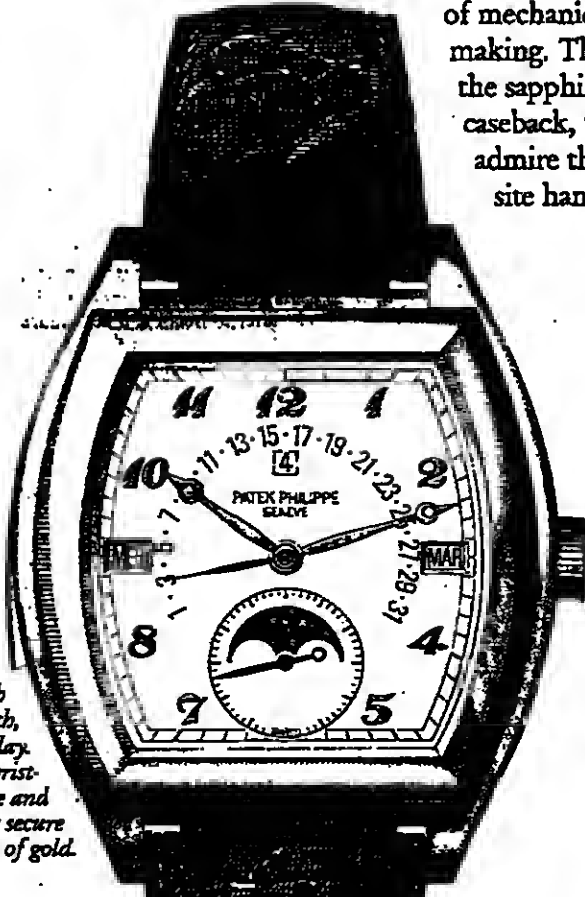


fig. 5: Ref. 3940. The finish on the case and the bracelet reflects the perfect functioning of Patek Philippe's ultra-thin (3.75 mm), self-winding, perpetual-calendar wristwatch with moonphase.



fig. 6: Ref. 3970. The perpetual-calendar chronograph...

fig. 7: ...displaying the poetry of traditional hand-finishing.

fig. 8: Ref. 3974. The confidence of a smoothly functioning perpetual calendar, and the pleasure of bearing the time, combined in one of Patek Philippe's most sophisticated wristwatches.



fig. 9: Ref. 3939. A minute-repeater which is also a rated chronometer. A tourbillon device cancels out the effects of gravity.

fig. 10: Ref. 3919. The gentleman's classic wristwatch. One of the many introductions to Patek Philippe's dimensions of time.



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Maastricht's Other Reputation: Crossroads of the Drug Trade

By Jeffrey Stalk
Special to the Herald Tribune

MAASTRICHT, Netherlands — The police call them "drug tourists."

Taking advantage of relaxed border controls, hundreds arrive daily in the southern Netherlands by train, car and bicycle or on foot from Germany, Belgium and Luxembourg. They do their "shopping" on Dutch soil because of the better quality and greater availability of the drugs, lower prices and more lenient narcotics laws.

The ease with which drugs are purchased in the Netherlands and then transported across its borders has angered some of the country's European Community partners, particularly France, which is just a short ride or drive away.

Last month, the French government dealt a blow to plans for a Europe without borders by announcing that, previous EC accords notwithstanding, it would maintain its border checkpoints through 1993. Alain Lamassoure, France's minister of European affairs, cited the Netherlands' lax policy against drug trafficking as one major reason for the decision.

Drug tourism is prevalent throughout the Netherlands' southeastern region, but it is the ancient city of Maastricht — whose name now is synonymous in the region with the Treaty on European Unity — that is getting the biggest black eye from it.

Located less than a kilometer from the Belgian and German borders, Maastricht attracts between 500 and 1,000 "drug tourists" a day. Dutch journalists have focused on this city to illustrate the extent of the cross-border narcotics trade, spotlighting such routine cases as the recent arrest of a man in northern France who the police said had concealed six grams of heroin and a gram of cocaine purchased in Maastricht behind his car dashboard.

"It is because Maastricht has gotten so well known that we are getting this kind of reputation," a police spokesman, Math Dery, said. "Every city on the Dutch side of the border has the same problem, but all you hear about is Maastricht."

Mr. Dery described Maastricht as a "beautiful city and a relatively safe city" but acknowledged that drug-dealing was a serious problem that was tarnishing its image. Drug dealers openly do business at various locations around town, and the influx has led to an increase in thefts and other crimes.

The residents have complained that foreign drug addicts drive recklessly through town, urinate against buildings, beg for money, steal, are verbally abusive and sometimes quarrel violently among themselves.

A butcher, Roland Tommer, said thieves had broken into his shop twice, stealing a total of 2,000 guilders (\$1,300). Asserting that the shoplifters were drug users staying at a nearby shelter for the homeless, he has circulated a petition to have the shelter moved out of the city center.

One of the 300 people who signed the petition was Renée Koers, owner of the Stadsleutel bar near the Maas river. "We are seeing more and more addicts coming into the city," she said. "It is not a good advertisement for Maastricht. They break into cars, they steal to get money to buy drugs. The police come by and tell them they have to go, but in a little while they are back."

For all of its international fame, Maastricht — established by the Romans 2,000 years ago — remains a small and largely traditional city whose 120,000 residents prefer to take pride in clean streets and well-maintained buildings. Against its neat and tidy exterior, the shabbily dressed addicts are like a sore thumb.

The understaffed police department has created a 16-officer task force to combat the drug problem but admits it cannot eradicate it under the country's existing drug laws.

Suspects found in possession of less than a gram of heroin are let go. Those caught with less than 20 grams might spend a few hours in police custody, but then they, too, are released.

Little evidence of drug dealing was visible at first during a recent walk along Maastricht's cobble streets. The central train station bustled with activity, but there were no signs of any drug-dealing among passengers waiting for their trains. Likewise outside the station, neither a uniformed police presence nor any obvious signs of drug buying were in evidence.

At a tiny park called Klein Oriendje near the Maas, however, the story was different. There, a small knot of men and women, apparently oblivious to the giant river barges passing behind them, huddled quietly together, furtively exchanging objects among themselves. From time to time, people left or entered the park, ignoring the stares of local residents. No uniformed police officers were on hand.



Pedestrians who braved Sarajevo streets to do some shopping fleeing Serbian sniper fire Wednesday.

Croats and Muslims Battle Despite Truce

By Chuck Sudetic
New York Times Service

MEDJUGORJE, Bosnia-Herzegovina — Bosnian Muslims and Croats fought gun battles near the central Bosnian town of Vitez on Wednesday, less than nine hours after their leaders concluded a cease-fire accord here and pledged to proceed with partial implementation of a UN peace plan.

The fighting took place just outside the Vitez command center of British United Nations peacekeeping troops, who were reduced to gathering the dead. Accurate casualty figures were not available.

The Muslim-Croat fighting that erupted in Vitez has dealt a serious setback to the co-chairmen of the UN peace talks for the former Yugoslavia, Lord Owen and Thorvald Stoltenberg. They met here on Tuesday with Bosnian Muslim and Croatian leaders and won agreement on partial implementation of the peace plan, which would recognize this war-ravaged land into 10 ethnic cantons.

In Geneva on Wednesday, the United Nations human rights investigator, former Prime Minister Tadeusz Mazowiecki of Poland, said the peace plan itself has encouraged Croatian extremists to

forcibly expel Muslims from areas they consider to be "Croatian" under the plan.

"The peace plan, according to which Bosnia and Herzegovina would be divided along ethnic lines, has been used in order to create ethnically homogeneous areas," Mr. Mazowiecki wrote.

"The lack of an effective international response to counter the policy of ethnic cleansing perpetrated by Serb forces," he wrote, "created the precedent of impunity which has allowed them to continue and which has encouraged Croat forces to adopt this same policy."

Local media reports also spoke of new clashes Wednesday between Muslim and Serbian forces in northern Bosnia near the town of Zavidovici, about 80 kilometers (50 miles) north of Sarajevo, despite a declaration by Bosnian Muslim and Croatian leaders that their forces had ceased military operations.

About 95 percent of the 1.1 million Bosnian Serbs who cast ballots in a referendum over the weekend voted against acceptance of the UN peace plan and for formation of a Bosnian Serb state, according to official referendum results announced Wednesday in Pale.

(Reuters, AP)

TREATY: It Advances in Britain

(Continued from page 1)

Party offering different views. They are genuinely worried about it." He added, "At the moment I am prime minister and there isn't going to be a federalist Europe."

Nor is it likely that the European economies will merge, he emphasized. "Even if one assumed that a single currency was right for Europe — and I have never made that assumption — it is not the case that the European economies have converged in the last few years making that possible."

"If anything they have diverged, and the prospects of moving rapidly towards European monetary union seem to me to have drifted away very substantially."

Mr. Major also said sterling would not rejoin the exchange-rate mechanism unless the currency grid was revamped, Reuters reported. "We are not going back into an unreformed ERM," he said.

"The conditions for considering re-entry, let alone re-entering, do not apply at the moment and in my judgment are unlikely to apply for some time in the future."

The Maastricht treaty, which has haunted Mr. Major, split the Conservative Party and consumed nearly half of Parliament's sched-

ule over the winter, is virtually certain to pass in the Commons on Thursday because the opposition Labor Party has pledged to abstain from the vote.

During the complicated round of proposed amendments and procedural votes, an alliance of convenience cropped up to oppose the government. It was made up of right-wing Tories implacably against the idea of uniting with Europe, and left-wing Laborites who supported the concept of union but wanted the social provisions included.

They found common ground in trying to embarrass Mr. Major, whose position was further weakened by a bad economy, squabbles over such things as closing mines, cutting back the military and devising tests for a national school curriculum.

But now, with Labor out of the picture Thursday, the treaty is expected to pass by a margin of 150 to 200 votes. In two weeks it moves on to the House of Lords, where passage is eventually likely, most British pundits believe. But the measure will still have to overcome fierce opposition in that chamber from such well-known Conservatives as Lady Thatcher.

DANES: Both Sides Back Police

Continued from Page 1

and eight tons of rocks and bricks at the police.

The squatters and anarchists apparently rioted in protest against Denmark's political and business establishment, which strongly supports the treaty.

Niels Mortensen, a sociologist, termed them "a marginal group who have chosen to make all society their enemy."

"One does not need to fear," he added, "that normal Denmark will now be split into a 'yes' and 'no' Denmark."

A police spokesman called the riots "the worst we have ever experienced in Copenhagen."

"We witnessed an aggressiveness and disregard for human life," he said, "that we have never experienced before."

He said the police fired about 100 warning shots, then aimed into the crowd when it seemed the rioters might kill an injured colleague lying on the ground. His account was backed by Mr. Rasmussen, who said it had been "a question of life and death."

The vote overturned last year's referendum, in which Danes narrowly rejected the treaty, plunging the Community into a political and economic crisis.

The shift came after Denmark negotiated exemptions from some elements of the treaty, which provides for economic and monetary union and a common foreign policy for the 12 EC states.

Mr. Rasmussen held out an olive branch to the defeated "no" voters, saying they would be consulted by ruling politicians. (Reuters, AP)

EC Unity Can Wait, Most Germans Say

By Brandon Mitchener
International Herald Tribune

FRANKFURT — If given the choice, most Germans would rather get a grip on their country's transformation before moving toward closer European ties, and an overwhelming majority wish Danish voters had rejected European unity, according to a poll published Wednesday.

Another poll, however, confirmed anecdotal evidence that nearly three years after German reunification most people think the country's two halves are growing further apart, which suggests that Europe could be asked to wait indefinitely.

The first poll, which was conducted before Danes voted in favor

of the Maastricht treaty Tuesday, showed that 66 percent of eligible German voters hoped the Danes would reject it, which would have scrapped plans to create a United States of Europe by 2000.

Only 24 percent of Germans hoped the Danes would vote in favor of the treaty, while 10 percent did not care. The poll was conducted by Germany's Wickert Institute last week.

Fifty-four percent of those polled said further European integration should wait until the burden of German reunification had eased, and 46 percent said both processes should continue simultaneously. In answer to a hypothetical question, a far larger majority, 75 percent, said it would have been

better if German reunification had been hastened before work on a new Europe was begun.

Germany has no plans to hold a referendum on Maastricht, but 83 percent of the Wickert poll's respondents said they thought a referendum would be a good idea.

West and East Germans, meanwhile, are falling increasingly short of each other's expectations. In an April poll conducted by the Allensbach Institute for Public Opinion Research, only 22 percent of West Germans and 11 percent of East Germans felt more solidarity than competition with their compatriots, while 71 percent of West Germans and 85 percent of East Germans said "opposing interests" outweighed the common ones.

Moreover, the percentage of West Germans who felt the two regions were growing closer fell to 18 percent in January from 28 percent three years ago, and only 12 percent of East Germans felt closer, versus 24 percent in 1990.

Forty-four percent of West Germans and half of all East Germans felt they were far from the spirit of togetherness hailed at the instant of German reunification.

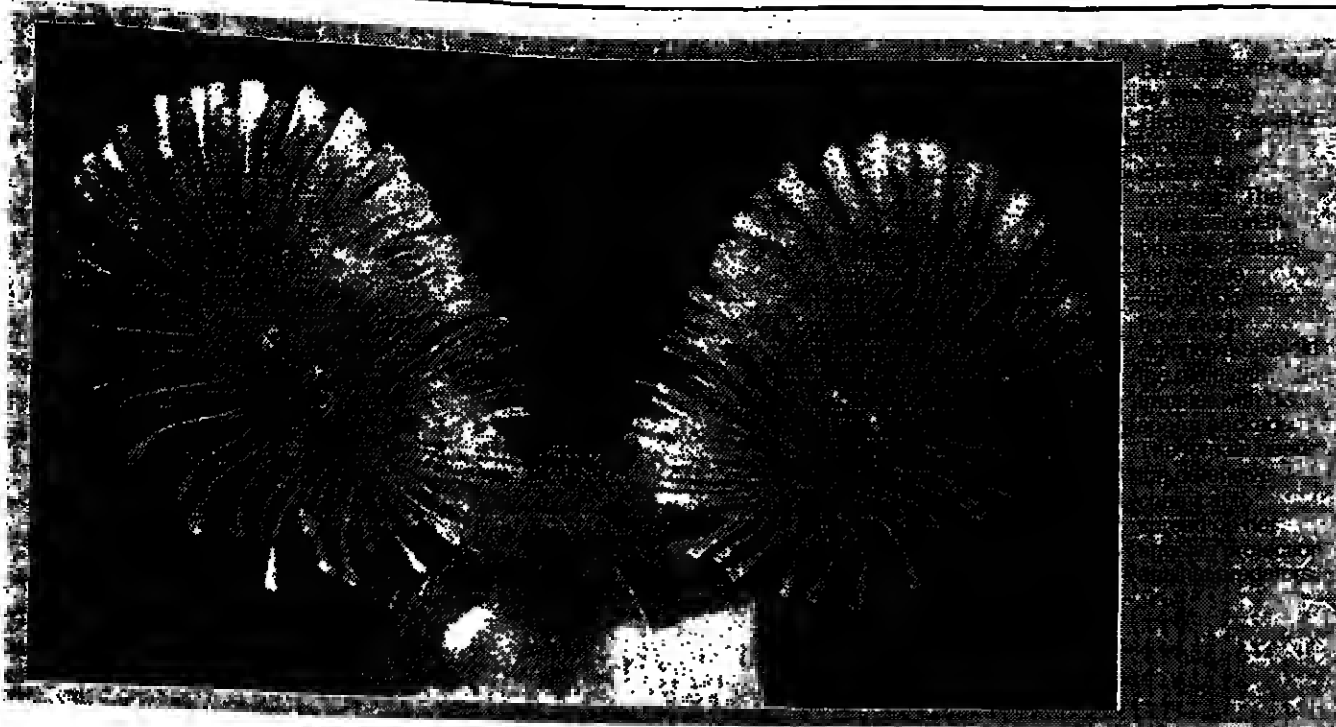
The results were published in Wednesday's editions of the Frankfurter Allgemeine Zeitung.

Asked whether they consider themselves "Germans" or "citizens of the former East Germany," 52 percent of people polled in the five new states said they identified with the latter characterization.



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HEALTH / SCIENCE



Mating Games of a Finicky Moth

By Natalie Angier
New York Times Service

NEW YORK — Is there no end to the finickiness of the female moth? It would seem quite enough that a female bollworm requires of her suitors a night of aerobically drumming serenades to prove their worthiness as lovers. Or that a female pit viper first will watch impassively as males compete like frenzied, one-armed wrestlers for the privilege of wooing her, and then demand that the victorious male spend long hours rubbing her with his chin and flicking her with his tongue before agreeing to the big event.

Now scientists have discovered strong evidence that a female's discriminating taste in mates can continue even after intercourse is through. Biologists studying an orange and black moth common to the Southeast, Mexico and the Caribbean have found that a female will mate with more than one male and then actively select from the various offerings the sperm of the biggest male she has mated with — the mate presumably bearing the most robust genes for her offspring.

Studying the *Utetheisa ornatrix* moth, Dr. Thomas Eisner of Cornell University in Ithaca, New York, and his colleague Dr. Craig W. LaMunyon, now of the University of Arizona in Tucson, found that female moths engage in promiscuous sex to gather the desirable packets of defense chemicals and nutrients that accompany the male's sperm during intercourse.

But once the various nuptial gifts have been collected, the female uses internal muscles of her reproductive system to push along the sperm of the biggest male toward her eggs, while reabsorbing the semen of a lesser male before it can fertilize.

The new study, in *The Proceedings of the National Academy of Sciences*, offers the first real proof that females engage in postcopulatory sexual selection, picking the sperm they want and rejecting the sperm they do not, and altogether assuming complete control over their reproductive fates.

"The more we learn about this moth, the happier my daughters are," Dr. Eisner said. "They tell me this is the ultimate liberation story."

Other evolutionary biologists with a long-standing interest in the role of female choice in shaping animal appearance and behavior praised the new work as a gem of an experiment.

"I think it's just wonderful, a significant piece of work," said Dr. Randy Thornhill of the University of New Mexico in Albuquerque. "They certainly did some nice maneuvers to look at the effect of the female in manipulating the paternity of her offspring," Dr. Thornhill, who was the first to suggest that females might engage in post-copulatory selection of sperm, said the strategy was likely to be widespread in the animal kingdom.

Wherever there is something for females to gain from mating with more than one male, he said, there will be incentive for them to devise ways of gaining the advantage of philandering without paying the cost in possibly bearing the feeble offspring of feeble males.

THE new work is the latest chapter of an in-depth investigation of mating schemes of the *Utetheisa* moth. In past work, Dr. Eisner and his co-workers showed that the males invest enormous amounts of time and effort gathering defensive alkaloid chemicals from bean plants to pack along with semen and protein into so-called spermatophores, which the males offer to females as incentives for mating.

The female needs the defensive chemicals to spread on their eggs as protection against predators. In addition, she craves the extra nutrition and calories found in the spermatophore as a way to heighten her own strength and fecundity.

To demonstrate that he is endowed with a generous spermatophore, a courting male will extrude from his head brushes scented with a whiff of the defensive alkaloid, and lightly whisk the little brushes against the female.

While the male may hope the donation will pay off in his being represented among future generations, the female seems to have an agenda of her own.

The scientists have determined that while a female will mate with up to 13 males during her fertile period if she gets the chance, her eggs end up being entirely or largely inseminated by one male.

Following 53 female moths mating with two males apiece and then examining the paternity of the offspring through genetic variations, the scientists discovered that in 70 percent of the cases, the bigger male sired 100 percent of the offspring. It did not matter if the bigger male was first or second in the mating lineup, his sperm cells almost inevitably found their way to the eggs.

To explore whether the outcome of the fertilization is the result of the superior mobility of the larger male's sperm, or whether the sperm's progress is under the female's direct control, the biologists allowed females to mate, and then put the moths under anesthesia. The anesthesia was known to be of a type that does not inhibit sperm mobility, but instead acts only on the muscles of the female's genital tract. In theory, if the sperm themselves were competing by swimming more or less rapidly in greater or fewer numbers, then the female's musculature should have little effect on the sperm wars.

Under these anesthetized conditions, the sperm of both males stayed right where they had been deposited, near the portal of entry. Without the female to guide the sperm toward her egg chamber, or to push it aside as unworthy, nothing happened.

Dr. Eisner said they had not ruled out the possibility that the sperm were somehow disoriented in subtle and undetectable ways, but he said, "this is the first case with reasonable data to say the female is making the choice." By this scenario, the female detects the largest male because the largest male also makes the largest spermatophore.

Breast Cancer and Dietary Fat

A New Study Finds No Link, but Research Goes On

By Jane E. Brody
New York Times Service

NEW YORK — A new study has failed to find a clear-cut connection between dietary fat and breast cancer. But researchers and commentators cautioned that it was too early to rule out a link.

In the study, being published Wednesday in *The Journal of the National Cancer Institute*, researchers analyzed the body fat of 380 women newly diagnosed with breast cancer, and compared the findings with a similar fat analysis of 176 women with benign breast disease and 397 women without any breast disease.

Since the constituents of body fat represent dietary habits going back at least two years, the analysis is believed to reflect people's dietary habits more accurately than just asking them what they eat.

The researchers, from Los Angeles and Boston, checked the body fat samples for levels of saturated, mono-unsaturated, poly-unsaturated, trans and omega-3 fatty acids.

Laboratory studies have suggested that intakes of saturated, polyunsaturated and trans fatty acids, formed during the processing of polyunsaturated fatty acids, may promote cancer, while omega-3 fatty acids, found primarily in fish, may be protective.

The researchers also examined the women's blood and diet for levels of antioxidant nutrients, including vitamin E and beta-carotene, which are thought to protect against cancer.

The team, headed by Dr. Stephanie J. London, now at the University of Southern California at Los Angeles, found no statistically significant relationship between any of the fat constituents or levels of antioxidants and the women's chances of having breast cancer or benign breast disease.

Dr. London and her collaborators, from Harvard's Medical School and School of Public Health and Massachusetts General Hospital, concluded that intake of the various fatty acids "at least in the range experienced in the American diet" did not seem to influence the risk of breast cancer risk.

But the findings do not prove that no

relationship exists. As stated in an accompanying editorial by Dr. Alice S. Whittemore of the Stanford University School of Medicine and Dr. Brian E. Henderson of the Salk Institute for Biological Studies in La Jolla, California, a person's body fat composition reflects only the type, not the amount, of fat habitually eaten.

STUDIES of breast cancer rates in different countries and animal experiments suggest that the more fat habitually in the diet, the higher the risk of developing breast cancer. But looking only at American women, a link between fat intake and the risk of breast cancer has been hard to establish.

One reason may be that fat intake early in life, not necessarily around the time breast cancer develops, may be the strongest influence on future risk, and no studies to date have measured this.

Another possibility is that the levels of fat in the diets of American women are not different enough to discern a difference in cancer risk related to eating habits.

From Vitamin E, New Buzzwords

By Robin Herman
Washington Post Service

WASHINGTON — The young man behind the high-priced cosmetics counter warned of the dangers of "free radicals." The company's creams containing sunscreen and Vitamin E, he asserted, could protect against these invisible particles that attack the skin and age it. "They're everywhere," he said, "in pollution, dirt, all the toxins in our environment."

The salesman had his biochemistry right. "Free radicals" are ubiquitous, a volatile type of oxygen molecule that can destroy the DNA of cells in the body. Word about the role of free radicals in promoting the scourges of aging-damaged skin, cancer, heart disease, cataracts and other degenerative ailments is being broadcast from the leading medical research laboratories.

And so is the possibility that high doses of certain common vitamins can combat these particles.

Free radicals are an inescapable consequence of human life. They eat away at our cells from without — spawned by the sun's ultraviolet rays acting on the skin — and from within, as a natural byproduct of normal metabolism in which cells turn food and oxygen into energy. Smokers inhale vast quantities of

free radicals produced by tobacco as it burns.

A free radical is a molecule that carries an extra electron. In this unstable state, it is highly reactive, seeking other molecules with which to bind. When an oxygen free radical binds, the process is called oxidation.

Hence the new buzzword, antioxidant. National brands of multivitamins are adding bold lettering to their packages: "Including the Complete Antioxidant Group."

Every cell in the body, it is estimated, is bombarded 10,000 times a day with free radicals, which in turn spawn other free radicals. Over time, the cell's natural system to repair itself cannot keep up with the assault, according to the theory, and the body degenerates. Compounds that are antioxidants are scavengers of free radicals, binding them up before they can inflict damage.

While public health officials await definitive word from ongoing studies, many consumers and, indeed, many physicians, have already embraced high-dose oral supplements of the anti-free radical vitamins C, E and beta carotene — as protection. These vitamins, goes the theory, soak up the highly destructive oxygen molecules and prevent them from damaging cells. Scientists know, for example, that cell damage is part

of the chain of events that leads to cancer.

This free radical theory of aging was first proposed in the late 1950s, but only recently has the enthusiasm for vitamins to block these agents reached the fad level. Redesignated breakfast cereal boxes blare "Now with Beta-Carotene" as they very recently bragged of low fat and cholesterol. Skin care companies, which already had incorporated Vitamin E into their creams as an emollient, are now touting its effects against free radicals.

THE current king of the protective compounds is Vitamin E, riding on the results of epidemiologic studies that track the health and self-prescribed diet of thousands of participants. Statistics from these observational studies are showing that people who take E supplements have a dramatically lower risk of heart disease. Whether credit should go to the vitamin pills or to some characteristic typical of people who choose to take these vitamins remains murky.

But can Vitamin E protect against heart disease, cancer and other degenerative diseases?

"I can't say it's been unequivocally demonstrated, but most things are pointing in the right direction," said Dr. Hoher Warner, deputy director of the Biology of Aging program at the

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THE POLITICAL DIMENSION
Dangers and Opportunities in The World Disorder
Anthony Sampson, Journalist and International Writer

WHAT IS THE FUTURE OF GLOBAL INVESTING?
Global Asset Allocation Strategies Of The Future
Malcolm Mitchell, Senior Consultant, InterSec

THE PENSION FUND PERSPECTIVE
Peter Dencik, Deputy Executive Director, P.K.A. Pension Funds, Copenhagen

THE BOND SESSION
John Lipsky, Chief Economist, Salomon Brothers, New York
Axel-Gunter Benker, Managing Director, D.W.S., Frankfurt
Sandra Curtis, Head of Fixed Income, Credit Suisse Asset Management, London
Patrick Dempsey, Managing Director, Dempsey & Co. International, London
Gordon Johns, Managing Director, Kemper Investment Management, London
Gary Kreps, Chief Investment Officer, Global Fixed Income, C.T. San Francisco

THE CURRENCY SESSION
Irwin Berger, Director of Trading, Sp Inc., Chicago
Howard Flaht, Joint Managing Director, Guinness Flight, London
Lawrence Hite, Managing Director and Founding Partner, Mint Investment Management, New Jersey
Andrew Hornik, Head of the Strategy and Currency Group, Citibank, London
Ross Jackson, Founder and Chief Executive, Gaicorp, Denmark

THE EQUITY SESSION
Alan Albert, Managing Director, Merrill Lynch Asset Management, London
Nicholas Knight, Head of Global Equity Strategy, Nomura, London
Ranjana Pal, Director and Regional Economist, Jardine Fleming Broking Ltd., Hong Kong
Henry Thornton, Investment Director, Credit Lyonnais International Asset Management, Hong Kong
Audley Twiston Davies, Managing Director, Latin American Securities, London
Beat Wittmann, Head of European Equities, U.B.S. Asset Management, Zurich
The equity session will also be addressed by a major U.S. fund manager.

LUNCHEON ADDRESS
Norbert Walter, Chief Economist, Deutsche Bank, Frankfurt

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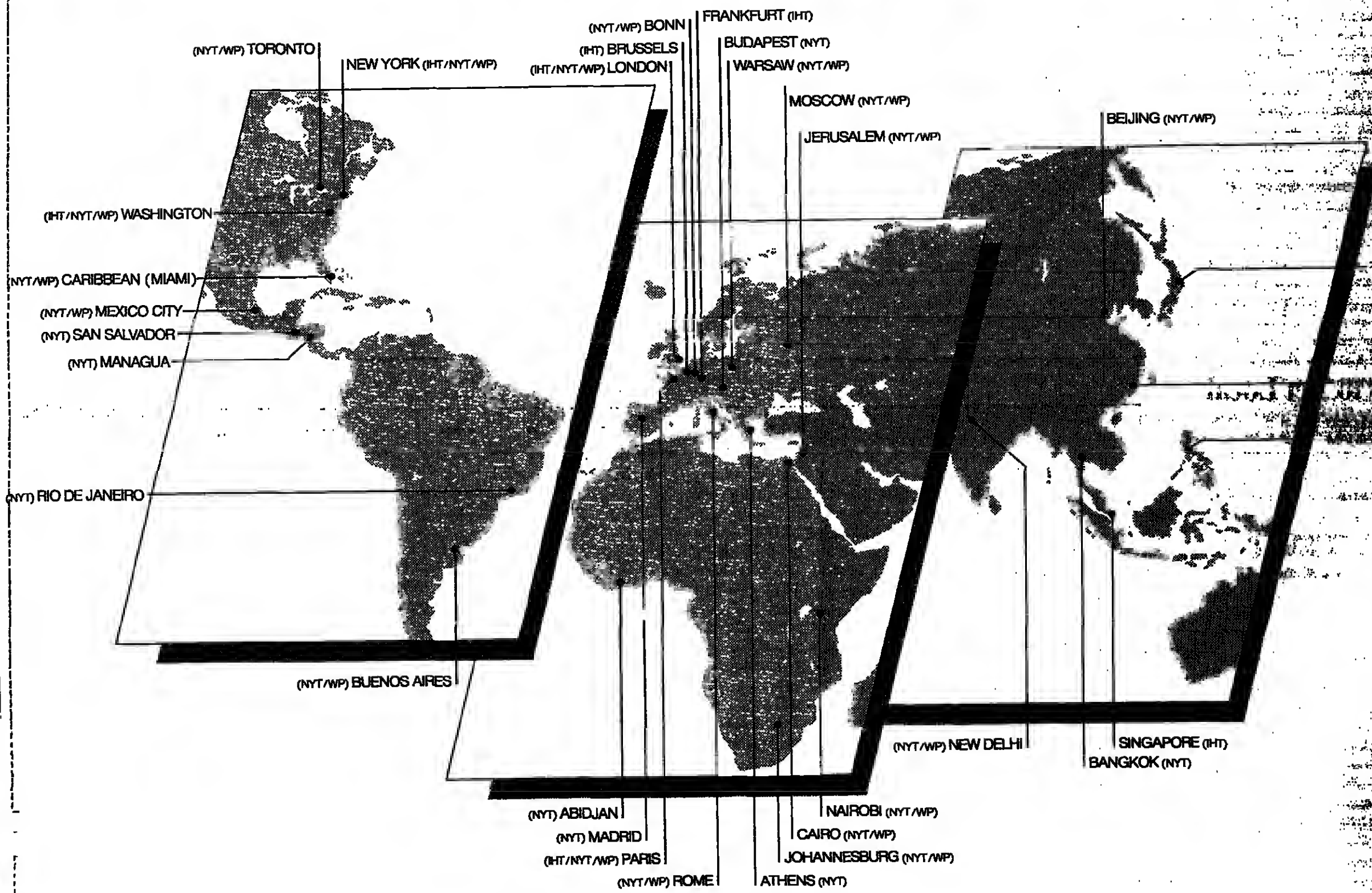
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OPINION

As the Clinton Ideas Flow, Public Support May Ebb

By David S. Broder

WASHINGTON — Dick Morris, a New York political consultant who worked with President Bill Clinton in his Arkansas gubernatorial races but not in his presidential campaign, has an interesting perspective on Mr. Clinton's performance as president. "There is," Mr. Morris said in an interview last week, "a tremendous similarity between what is happening now — with the lack of focus — and what happened his first term as governor of Arkansas. I call it the pent-up ideas syndrome. He goes through life like a camel, storing up ideas, and when he first gets into a job, they just come gushing out of him."

It is not a pretty metaphor, but Mr. Morris says that in Mr. Clinton's first two years as governor (1979-80) he began so many initiatives that "the summary of his achievements filled five single-spaced pages." "Trouble was," he said, "most of them were funded as inexpensive pilot projects, so at the end of two years, 'people' knew Bill had put through a big increase in auto license fees to pay for this stuff, but they couldn't see what it had bought." Mr. Clinton was voted out of office.

When he regained the governorship in 1982, Mr. Clinton did not repeat the mistake. Instead, he focused on jobs and education. Mr. Morris says he sees Mr. Clinton going through the same transition now — searching for a focus before the voters turn away from him. It is a necessary effort and the president is wise to be undertaking it. But it will be no easy task to fit the ambitious policy agenda he has in mind to the political constraints that he is facing.

Last week, I talked to some key Democrats in Congress about his prospects. The good news, most of them said, is that he is likely to see Congress meet the deficit-reduction targets he has set — even if the mix of tax hikes and spending cuts is quite different from his plan.

But the bad news is that many of his favorite "investment initiatives" will be cut down to pilot-program size and some will disappear. And Mr. Clinton will be left with a daunting challenge in mustering public support for crucial pieces of his agenda.

The House Ways and Means Committee chairman, Dan Rostenkowski, who engineered the victory for the Clinton tax package in his committee last week, said the plan does not have the public backing it needs to clear higher hurdles in the Senate. "He's got to get back to some-

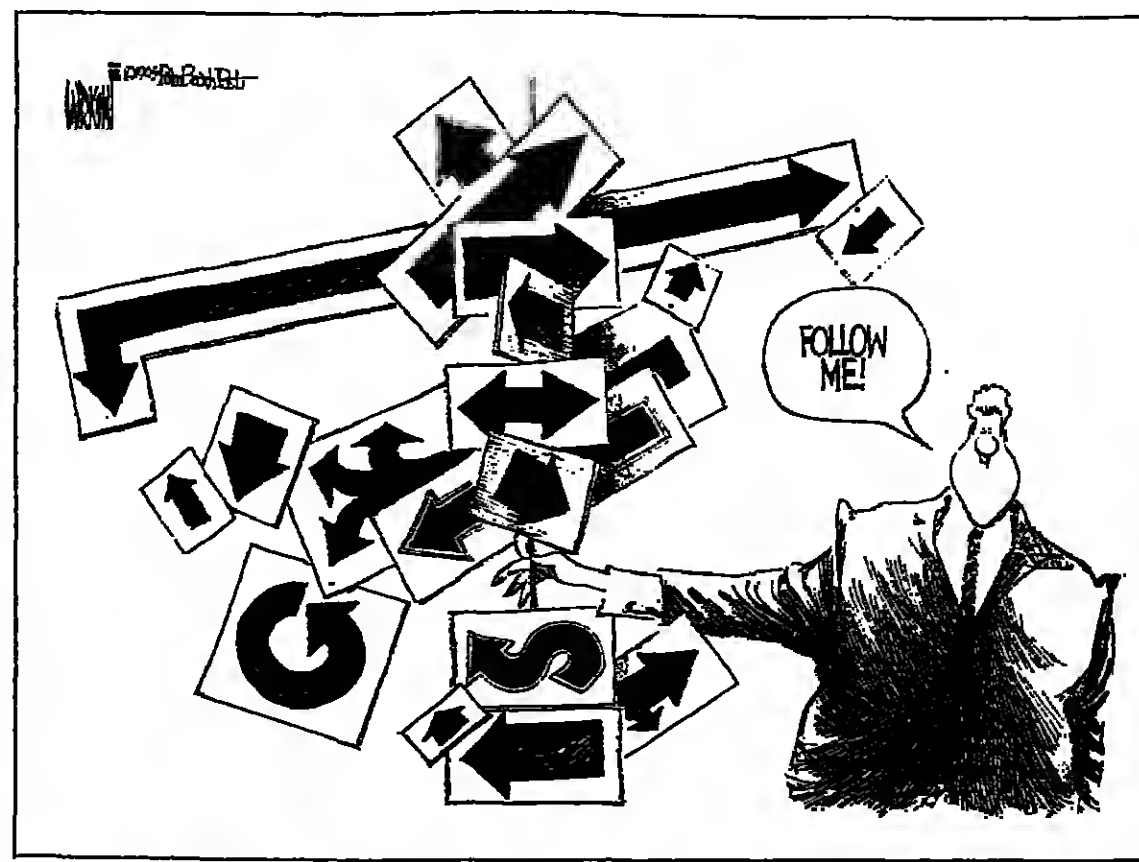
thing that people are enthusiastic about," Mr. Rostenkowski said. "He's out there all by himself now."

The House majority leader, Richard Gephardt, said that even if the president was able to sign the budget reconciliation bill into law by August, the autumn holds even bigger challenges. The health-care plan will be up for public debate — a piece of social legislation every bit as ambitious as Franklin Roosevelt's New Deal and Lyndon Johnson's Great Society program.

In addition, Mr. Gephardt noted, Mr. Clinton will simultaneously have to undertake a huge public education and sales campaign for the North American Free Trade Agreement, which Mr. Gephardt recognizes does not yet have the votes to be approved. "We all have to do a better job — including the president," he said.

What makes this harder is that Mr. Clinton is operating with a far shakier political base than Messrs. Roosevelt or Johnson, who were elected by landslides, had when they launched their own programs. He won only 43 percent of the vote in November and has converted few Perot or Bush supporters to his cause.

In the interview, I asked the president a question I had been thinking about for months. During the campaign, I reminded him, he had talked about inviting Republicans and independents to join his administration. When he saw the election returns, did he ever consider forming that kind of multiparty "national government," and did he now think it might have strengthened his hand?



The answer, he said, was no. "I don't know that there's anybody I could have put in the cabinet, for example, that would have made a difference."

But the question seemed to nag at him. Three times he returned to the subject unprompted. The results, he said, "almost presented us with a parliamentary-like political situation here, in which cabinet selections themselves

might have made a difference. Maybe. But I didn't really think that."

Later he said, "It may be that there was something I could have done early on — to enlist help from Republicans and Perot supporters. Finally, he said he had never thought of it in the way my question was framed, but that it had made him "think that with the electorate divided in three ways like that, you

might argue that it almost created the sense of an old parliamentary thing — that is, a government with more than one party represented in the cabinet.

It is late in the day for such a strategy. But one way or the other, Mr. Clinton has to build a broader political base or face the constant threat of his ambitious policy agenda toppling of its own weight.

The Washington Post

Heal the Rogues' Wounds And Make Sri Lanka One

By Indran Amirthanayagam

NEW YORK — All lovers of that riot of nature, that former paradise known as Sri Lanka, where 78,000 people have been killed in political violence since 1983, should remember the metaphor of the rogue elephant.

This elephant has been cast out of the herd. Perhaps it is mad; perhaps it harbors some wound that does not allow it to graze in peace with its brothers and sisters. So it leaves the herd, or is forced out. And alone in the jungles it eats the dry leaves of loneliness. And when it spots a group of holiday travelers 30 yards down the dirt road — my family in a jeep — it charges.

We were lucky in 1965. The tracker who accompanied us spoke some com-

And I wonder what Velupillai Prabhakaran, the leader of the Tamil Tigers, "The Boys," thinks today, holding court in his bush empire. How many Tamil boys and girls have died for Eelam, the separate state the Tigers want? How many Tamil critics of Tiger methods have been silenced?

Oh, but I can hear the allowances made at a hachelor party on a recent visit to Sri Lanka. There was a lot of drinking and a fight started. A close friend of the bride punched a friend of the groom. Hands in the air — come, come, let's sort it out. And the conciliatory voice of an adult: They are just boys. They get drunk, play tricks on their companions. The wedding will take place. The sun will shine in the morning. Everything will be all right.

Enough of these denials. The boys and men who come to kill are not just rowdy drunk. If only for a minute, the wedding could create a space in a Sri Lanka where there is no need for the explanation that smooths over the truth.

If only we could wear our tropical suits and sing our hymns and drive home to parties that admit our various bloods and the bonds that unite us.

The British saw cricket as a savior, something they could offer to smooth over the harder aspects of their kingship over poor native subjects.

And we adopted the genteel ideas of sportsmanship. But we also called ourselves the Tamil Union Cricket Club or the Ceylon Moors, or the Sinhalese Sports Club. Perhaps we were honest. Perhaps we thought that even in cricket we must acknowledge the hatreds that ease away at our gestures of brotherhood and our adopted salutations — Good show, chap! Well done!

Well done, Sri Lanka! Here we go again! The new president, D. B. Wijetunga, has said that he will resume negotiations with the Tigers.

I welcome these words. The nightmare rides upon sleep, said Yeats about Ireland. But then we awake, as we must. And we must go about our business, and raise our children, and welcome back the family that has dispersed to Canada, Europe, India, if only for a visit.

And let us have a roaring reunion. Let us have Bharata Natiyam dancers and balsa singers and pianos and tablas. Let us have Hindu pujas and the rosary and the Four Noble Truths of Buddhism.

Let us invite the burghers to return from Australia and the Tamil snow-swept mountains of the restaurants of Paris. Let us have a government of national unity. Let us care for the remaining herds of elephants. Let us have jungle and grassland. Let us develop potions to heal the wounds of the toques.

Mr. Jayawardene and Mr. Bandaranaike made contributions to the country. They were also terribly human, often serving their clans and not the larger interests of a nonracial, democratic Sri Lanka.

The writer's first book of poems, "The Elephants of Reckoning," was published this month. This column was contributed to The New York Times.

LETTERS TO THE EDITOR

Health Care in France

Regarding "Focusing Like a Laser on Medical Costs" (Meamwhile, May 13) by Lawrence Malkin:

As an American living and working in France for the past six years, I have consistently had more access to doctors than I would have had in the United States, and at more reasonable fees. But I would like to add a few remarks.

While the French state establishes doctor's fees for office visits and house calls (yes, French doctors make house calls), doctors are free to charge more, as long as patients are clearly informed. In this case, however, the health insurance reimbursements are still based on the established fees. In other words, a doctor can charge more, at the risk of losing patients; and the patient can pay more if he or she feels it will result in better care, knowing that the difference will not be reimbursed. This is a good feature of the French system.

Dental care in France is inferior to that in the United States. There are few dental hygienists, teeth are not routinely cleaned by a professional, and tooth X-

rays are not routinely taken. The result: The French grow up with many undiagnosed cavities.

Finally, even with the 6 percent payroll deduction for my French health insurance, a big contribution from my employer, and a "general social contribution" of 1.1 percent of my salary, the system is in the red; and the new French prime minister has proposed raising the 1.1 percent to 2.4 percent to eliminate the deficit.

FRED B. WEISSLER, Palaiseau, France.

The German Difference

Regarding "German Teens Protest" (Letters, April 9):

There is no comparison between the thousands of neo-Nazi attacks against foreigners, resulting in 17 murders, and the Le Pen movement in France or the imitation-skins in Italy. The Le Pen people do not shout, "Vive Petain," do not call for the return to the days of Vichy, and their program does not include territorial demands against neighboring countries. And nobody is afraid to go to France or to Italy, whereas many people are afraid to go to Germany.

JIM PRICE, Trieste, Italy.

Mastectomy Question

Regarding "Why Mastectomies Occur So Frequently" (American Topics, May 10):

Mastectomies do not occur, they are performed, following a surgeon's decision. The headline could have read, "Why Are Mastectomies Done So Often?"

BETTY L. RUBIN, Milan.

'Scab' Is in the Dictionary

Regarding "Will Jobs Be Defeat Be Republicans' Last Hurrah?" (April 14):

The article mentions "the union-busting practice of hiring permanent replacements for striking workers." Why use such euphemisms? A perfectly appropriate English term exists for such individuals, and you will find it defined in Webster's Ninth New Collegiate Dictionary. That term is "scab." By not using "scab," the media adopt the prejudices of big business and, in the United States, the government.

MICHAEL D. EVANS, Yokohama, Japan.

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MARKET DIARY

STOCKS: Ebbing Inflation Fears

(Continued from first finance page) successes in the currency markets have given his moves significance for investors, and the Newmont purchase helped push gold up about \$30 an ounce. It was sharply higher early on Wednesday, but then lost all of its gains and ended slightly lower.

The June gold contract on the Commodity Exchange fell \$1.80, to \$374.20, after having been up as much as \$7.50 in early trading. In the stock market, there also were reports that speculators were caught in what is called a short squeeze. These traders had borrowed shares and then sold them, betting that stock prices would fall and they could repurchase the securities at lower prices before returning them to the lenders.

AT&T was third, up 2 1/2 to 60 1/2, despite getting mixed recommendations from brokerage houses. Microsoft jumped 4 to 92 1/2 in active over-the-counter trading after Lehman Brothers upgraded the stock. A judge gave it a favorable ruling in a patent-infringement case brought by Apple Computer. But Apple was higher as well, gaining 1 1/2 to 57 1/2. Hewlett-Packard, also named in the suit, surged 3 to 87 1/2 on the New York Stock Exchange, following a gain Tuesday after a good earnings report.

Echo Bay Mines led the American Stock Exchange active, falling 1 1/2 to 10 1/2 as gold miners cooled off with the metal's drop. (U.P. Reuters, Bloomberg, Knight-Ridder)

GOLD: Market to Remain Volatile

(Continued from page 1) for themselves — is to have reduced interest in gold as an alternative to financial markets that seem to be going nowhere, especially in the United States where concern has been mounting over the fate of President Bill Clinton's deficit-cutting program.

Foreign Exchange

The bond market has taken flight over inflation and whether Clinton will get his program through, and currencies in Europe, the United States and Japan have been unstable since last fall," said Betty Rapapoulos, senior metals analyst for Prudential Bache.

Stewart Murray, chief executive of Gold Fields Mineral Services Ltd. in London, stressed that the latest push did not come from the gold market itself, even though his own annual report had helped intensify the rally last week by pinpointing large demand from China.

"No, it's not the Chinese," he said. "It's mostly on the supply side of the gold market — options, producers covering, American money managers coming into gold, and all that activity."

In New York, most of the force behind the price rise seems to have come from disenchanted pension and mutual fund managers, some

are arguing that it is unlikely the market has seen a final high — and even if it has, that it's unlikely a major decline will begin.

"This does not rule out a decline of up to 10 percent in the immediate future," he stressed. "It simply argues that there is still enough pessimistic sentiment around to bolster the argument against a major decline beginning in this time period."

The 30-year Treasury bond, the market bellwether, rose 18/32, to 101 29/32, trimming its yield to 6.97 percent from 7.01 percent Tuesday.

Battle Mountain Gold paced the Big Board advance, off 1/2 to 8 1/2 as mining issues attracted profit-taking.

Microfilm was up 1/2 to 60 1/2, despite getting mixed recommendations from brokerage houses.

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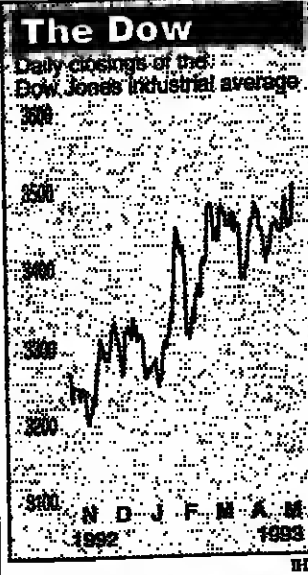
Echo Bay Mines led the American Stock Exchange active, falling 1 1/2 to 10 1/2 as gold miners cooled off with the metal's drop. (U.P. Reuters, Bloomberg, Knight-Ridder)

Dollar Turns Lower

The dollar ended lower Wednesday after a U.S. official apparently called for a stronger yen and then seemed to reverse that call. Knight-Ridder News Service said.

The U.S. currency ended at 1.6311 Deutsche marks, down from 1.6347 DM late Tuesday, and at 116.00 yen, down from 117.47 yen.

Commerce Secretary Ronald H. Brown said after news of a wider trade deficit that "corrections" in currency rates were needed to help reduce the U.S. trade gap with Japan but later said the exchange rate was out the "pre-eminent" factor.



Dow Jones Averages

Table with columns: Index Name, Open, High, Low, Close, Change. Includes Dow Jones Industrial Average, Standard & Poor's 500, NYSE Composite, and NASDAQ Composite.

NYSE Most Actives

Table listing top active stocks on NYSE with columns: Symbol, Vol., High, Low, Last, Chg.

NYSE Diary

Table with columns: Category, Value, Change. Includes Advanced, Declined, Unchanged, Total Issues, New Highs, New Lows.

Amex Diary

Table with columns: Category, Value, Change. Includes Advanced, Declined, Unchanged, Total Issues, New Highs, New Lows.

NASDAQ Diary

Table with columns: Category, Value, Change. Includes Advanced, Declined, Unchanged, Total Issues, New Highs, New Lows.

Standard & Poor's Indexes

Table with columns: Index Name, High, Low, Close, Chg. Includes Industrials, Financials, Utilities, S&P 500.

NYSE Indexes

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NASDAQ Indexes

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AMEX Stock Index

Table with columns: Index Name, High, Low, Close, Chg. Includes NYSE 4 a.m. volume, NYSE 4 p.m. volume, NASDAQ 4 a.m. volume, NASDAQ 4 p.m. volume.

Market Sales

Table with columns: Index Name, Volume, Change. Includes NYSE 4 a.m. volume, NYSE 4 p.m. volume, NASDAQ 4 a.m. volume, NASDAQ 4 p.m. volume.

N.Y.S.E. Odd-Lot Trading

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EUROPEAN FUTURES

Table with columns: Contract, Open, High, Low, Close, Change. Includes COCOA (POK), SUGAR (NOB), COFFEE (POK).

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GERMAN GOVERNMENT BOND (LIPPE)

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AMERICAN TO GROUND MORE AIRCRAFT

DALLAS (Combined Dispatches) — American Airlines will ground additional aircraft this year, a move that will trigger more layoffs at the largest U.S. airline, the chairman, Robert L. Crandall, said Wednesday.

American still is reviewing what types of aircraft might be retired from its fleet, although McDonnell Douglas DC-10s and Boeing 727s are the most likely candidates, Mr. Crandall said after the annual shareholder meeting of American's parent company, AMR Corp.

About 150 jobs are tied to each aircraft, on average, Mr. Crandall said. He would not speculate on how many layoffs would actually result. Mr. Crandall also said American had talked about forming partnerships with European airlines to increase its access to the Continent. He said American had spoken with Lufthansa, British Midland, Air France, SAS and KLM Royal Dutch Airlines. "You name it, we've talked to it," he said. (Bloomberg, AP)

GTE TO Sell Lines to Citizens Utilities

STAMFORD, Connecticut (Combined Dispatches) — GTE Corp., the largest operator of local phone systems in the United States, said Wednesday its GTE Telephone Operations unit had agreed to sell 500,000 access lines in nine states to Citizens Utilities Co. for \$1.1 billion.

The agreement, expected to be completed in 1994, is subject to approval by the Federal Communications Commission, the Department of Justice and regulatory agencies in each state in which the properties are located. GTE will use the proceeds to pay some of its \$2.2 billion in short-term debt, said Bob Brand, a GTE spokesman. The company currently has a total of \$15.6 billion in debt. GTE expects to take a one-time gain when the sale is completed, Mr. Brand said. (AP, Bloomberg)

Campbell Posts Record Earnings

CAMDEN, New Jersey (AP) — Campbell Soup Co. reported record third-quarter sales and earnings Wednesday, crediting the purchase of a controlling interest in Australia's largest cookie maker.

The sixth-largest U.S. food company posted profit of \$108.5 million, or 43 cents a share, an 18.6 percent increase for the period ended May 2. During the comparable 1992 period, Campbell had earnings of \$91.5 million, or 36 cents a share. Sales for the quarter rose 6.5 percent to a record \$1.63 billion, compared with \$1.53 billion.

The Campbell president, David W. Johnson, cited the recent acquisition of a majority stake in the Australian cookie and cracker maker, Arnotts, for the record performance. In early February, Campbell increased its stake in Arnotts from 58 percent from 33 percent. Campbell wants to use the Australian company as a springboard into Asia.

Imcera Plans to Close 11 Plants

NORTHBROOK, Illinois (UPI) — Imcera Group Inc. said Wednesday it would close 11 of its 27 Pittman-Moore animal-health-care unit's worldwide production facilities and eliminate more than 1,000 jobs in a restructuring of its subsidiary in Mundelein, Illinois.

Imcera provides human and animal health-care products and specialty chemicals through its three international business units: Pittman-Moore; Mallinckrodt Medical of St. Louis, and Mallinckrodt Specialty Chemicals of Chesterfield, Missouri. The company had consolidated sales of more than \$1.7 billion last year.

Plants targeted for closure include facilities in the United States, South America, Britain and the Pacific Rim.

For the Record

The Securities and Exchange Commission will ask Congress for authority to control securities firms' use of political contributions in the municipal bond market, SEC Commissioner Richard Roberts said. (Bloomberg)

A federal judge reduced the scope of a copyright suit brought by Apple Computer Inc. against Microsoft Corp. and Hewlett-Packard Co., a copy of the judge's ruling shows.

Ross Perot Jr. has purchased the Circle T Ranch from the bankrupt estate of Nelson Bruce Hunt, the Dallas Morning News reported. Neither the purchase price nor terms were disclosed. (Bloomberg)

Usinor Sets Cost of Saarstahl

PARIS — Usinor Saclor's financial director, Robert Hudy, said Wednesday that the bankruptcy of Saarstahl-Voelklingen would cost the French concern 1.6 billion francs (\$292.2 million).

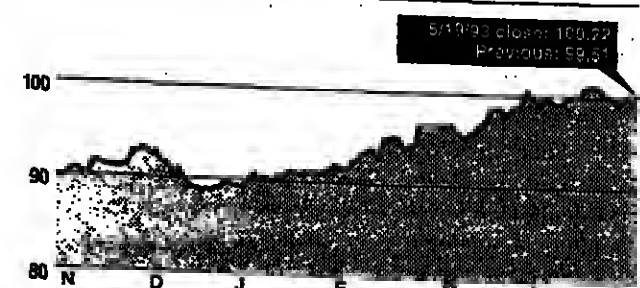
Mr. Hudy said at a news conference, "we couldn't go on filling the holes," in explaining why Saarstahl had filed an insolvency petition with a German court Tuesday. Saarstahl is owned by DHS Dillinger-Hütte Saarstahl, which is 70 percent-owned by Usinor Saclor.

"Unfortunately, we do not see any improvement before we are well into 1994," he said. "The needs will accumulate to reach amounts beyond our means." (AFX Reuters)

WORLD STOCK MARKETS

THE TRIB INDEX 100.22

International Herald Tribune World Stock Index, composed of 230 internationally investable stocks from 20 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden and Switzerland. In the case of Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization. In the remaining 17 countries, the ten top stocks are tracked.

Region	Approx. weighting	Close	Prev. Close	% Change
Asia/Pacific	25%	108.86	108.07	+0.72
Europe	40%	97.07	97.30	-0.23
N. America	35%	85.85	85.75	+0.10

Industrial Sector	Vol. change	Prev. change	% change
Energy	101.12	101.07	+0.05
Utilities	108.15	108.23	-0.07
Finance	101.25	100.59	+0.66
Services	111.79	109.73	+1.88

For readers desiring more information about the International Herald Tribune World Stock Index, a booklet is available free of charge by writing to: Trib Index, 161 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France.

INTERNATIONAL MANAGER

For Firms in Hong Kong, It Now Pays to Act Local

By Martin Howell
Bloomberg Business News

HONG KONG — With just four years left until Hong Kong reverts to China, Western expatriate executives enjoying perks denied their Chinese colleagues are nearing extinction. Headquarters say the gap between the compensation packages received by expatriates and executives hired locally is rapidly closing and, in an increasing number of cases, it is the ethnic Chinese businessman who is commanding top dollar.

"The time may have come when the Western expatriate in Hong Kong is dying to get equality with his Chinese counterpart," said Ranjan Marwah, president of Executive Access. "You can get more money for a Francis Leung or a Francis Yuen than you can for their expatriate equivalent," he added.

Mr. Leung is managing director of Peregrine Investment Holdings, an increasingly powerful force in Hong Kong's securities industry. Shanghai-born, U.S.-educated Mr. Yuen is a former chief executive of the Hong Kong Stock Exchange and now managing director of the investment concern Seapower International.

The booming Chinese economy and the furious race by foreign companies based in Hong Kong and abroad to cash in on that boom has much to do with the preference for local talent.

"There are more and more people looking for talent that has cross-border skills," said Alan Choi, a partner at Korn Ferry International (HK) Ltd. The ascendancy of China's Guangdong Province over Hong Kong in importance as a market is the driving force, he said.

A premium is now being paid for fluent Chinese language skills. And China's official tongue, Mandarin, is gaining ground on Hong Kong's Cantonese.

"My advice to all the young guys I see is learn to speak Mandarin," said Guy Roberts, managing director at Search Pacific Management Consultants. "I think anyone who plans to stay here for the next five to seven years should be aiming to speak Mandarin."

The importance of Chinese language skills reflects the changes in the Hong Kong power structure. As mainland Chinese businessmen seize control of a fast-growing list of Hong Kong businesses and buy minority interests in many others, the British colonial "old boy" network is gradually losing its influence.

People who understand the culture and style of doing business in China and have built connections with mainland businessmen are

See MANAGE, Page 15

Upstart Start-Ups Take Wing

15 New U.S. Carriers Fly the Friendly Clinton Skies

By Agis Salpukas
New York Times Service

NEW YORK — With a boost from President Bill Clinton, a crop of 15 new airlines has started flying in the United States, following a decade in which carriers failed far more often than they were replaced.

Conditions are fertile for the startups, as they are known in the industry, largely because of the demise of such carriers as Pan American World Airways, Eastern Air Lines and Midway Airlines, and cutbacks by the leading survivors, including American Airlines, Delta Air Lines and United Airlines.

Employed pilots, mechanics and flight attendants are eager to get back to work, even at a fraction of their former pay. Flights sitting idle in the Arizona desert can be leased cheaply, hubs and routes are available and passengers are eager to buy low-priced tickets.

Transportation Secretary Federico F. Peña has warned the industry that anti-competitive practices will not be tolerated, and his agency has been working with the Justice Department to make sure that new carriers—in addition to the 15 already flying, 11 more are planned—are not knocked out before they have a chance.

The new airlines, which account for less than 2 percent of industry capacity, are tiny compared with the major carriers.

American and Delta, for example, have 400 to 500 aircraft apiece. In contrast, among the largest of the startups, Kiwi International Airlines flies six Boeing 727s to Atlanta, Chicago and Orlando, Florida from Newark, New Jersey; Reno Air has 10 McDonnell Douglas MD-80 planes, which it operates from Reno to San Diego, Los Angeles, San Francisco, Portland and Seattle.

New carriers had received almost no protection from Presidents Ronald Reagan and George Bush, and many went out of business, leaving entrepreneurs and investors wary of new proposals. Mr. Clinton's administration takes a different view.

"While we will do whatever we can to support our existing carriers," Mr. Peña said, "so too will we do whatever we can to make sure fledgling carriers have a fair shot."

Kiwi executives and Transportation Department officials said the government had begun an investigation to see if Kiwi's rival, Continental Airlines, had set fares below the levels at which it could make money to drive Kiwi out of Newark and other airports.

Mr. Peña also warned Northwest Airlines not to try to knock out Reno Air's entry into Minneapolis, its major hub, by putting in jumbo aircraft. But Reno announced this week it would abandon Minneapolis and Kansas City service for lack of traffic.

The new carriers have already forced down fares in selected markets by setting low rates that the major airlines feel compelled to match, even though they generally make available only a small and controlled number of seats at the low prices and impose restrictions on the unprofitable tickets.

Kiwi, for example, charges \$119 one way for its three daily flights between Newark, which serves New York City, and Chicago. United, American and Continental Airlines have matched the fare for a limited number of seats on their 30 daily flights, on which the full one-way coach fare was \$340 before Kiwi entered

U.S. Trade Gap Soars as Imports Reach a Record

By Keith Bradsher
New York Times Service

WASHINGTON — The U.S. merchandise-trade deficit ballooned in March to \$10.21 billion, the widest gap in nearly four years, as imports from Japan and China grew sharply while exports increased slowly, the Commerce Department announced Wednesday.

The widening of the deficit, from \$7.90 billion in February, mainly reflected a \$4.4 billion jump in imports. Stephen Cooney, a trade analyst at the National Association of Manufacturers, said that the increase in March indicated that American merchants placed many orders last winter, betting that the economy would recover and consumers would buy more imported goods.

"There are big increases in all of the K-Mart and other bargain-store products — footwear, toys, games, sporting goods" and other low-priced consumer goods, Mr. Cooney said.

The big rise in imports was led by a 21.8 percent jump in crude oil and other energy products, which climbed by \$795 million, news agencies reported.

The trade figures come at a politically inopportune time for the administration — two weeks before President Bill Clinton has to decide whether to renew China's most-favored-nation trade status for the coming year and six weeks before he meets in Tokyo with the leaders of the world's other large industrial nations.

Administration officials say that Mr. Clinton will renew China's trade status with some conditions, prompting threats from Congress to force a politically awkward vote in the House on the administration's trade policy. The U.S. trade deficit with China widened to \$1.46 billion in March from \$1.17 billion in February.

The deficit with Japan also grew, to \$5.26 billion from \$4.13 billion in February. But the large bilateral deficit comes at a politically inconvenient time for the administration, too late for the recent visit to

Washington of Prime Minister Kiichi Miyazawa and too early for the economic summit in Japan.

Administration officials say they had secretly hoped for a large deficit in February, which was announced the day that Mr. Miyazawa arrived, so as to put pressure on Tokyo for trade concessions. But they were disappointed when the deficit was virtually unchanged from January.

The large deficit announced Wednesday is also too early to give Mr. Clinton much ammunition for his trip to Tokyo on July 7. The April trade deficit is due to be announced before then, and trade deficits typically shrink the month after a large increase.

Commerce Secretary Ronald H. Brown is skeptical that this might happen again. Much of the increase in March reflected the expansion of inventories, he said in a statement Wednesday.

Money-Supply Surge Stays Bundesbank

Compiled by Our Staff From Dispatches

FRANKFURT — The Bundesbank left key interest rates unchanged Wednesday despite the deepening German recession, showing its concern about the inflationary impact of heavy state borrowing to finance unification.

The central bank, whose primary objective is to maintain price stability, said the discount rate would be held at 7.25 percent and the Lombard emergency lending rate at 5.50 percent.

The bank's announced move followed news of a sharp 7.3 percent rise in the M-3 measure of the money supply in April. The money-supply figure is considered an important barometer of inflationary trends.

In announcing the jump in money supply, the Bundesbank pointed the finger at public authorities whose borrowing had continued to rise despite a large transfer of funds to government coffers from the central bank's own profit.

Economists said strong money growth and continuing heavy borrowing by Bonn were trying the Bundesbank's hands and had prevented a further easing of interest rates this week.

"It would have strained Bundesbank credibility to cut rates with these figures," said Thomas Mayer, an economist for Goldman Sachs. The textbook response would have been to raise them, he said, but neither he nor other economists seemed to think that was likely to happen.

"I don't think this figure will reverse the direction of the Bundesbank's rate policy," said Ulrich Beckmann, economist at Deutsche Bank AG. "But it sure puts a damper on hopes for another discount-rate cut soon."

Armin Kroyer, an economist at Swiss Bank Corp., said the Bundesbank was probably also worried about a possible weakening of the mark after any rate cut.

The April rise in the M-3 measure was steeper than economists' forecasts of around 5.5 percent and was above the central bank's target for expansion of 4.5 percent to 6.5 percent.

Bundesbank President Helmut Schlesinger already had made clear last week that he was worried about government borrowing inflating the money supply. Nevertheless, there had been speculation that the poor economic situation would prompt another rate cut this week, just one month after the Bundesbank had trimmed the discount and Lombard rates by a quarter-point and a half-point, respectively.

Economists had cited news of a 25 percent rise in business failures in February, compared with last year, as one major reason they had still considered a rate cut possible.

(Reuters, Bloomberg)

Stocks Hit Record as Inflation Fears Ebb

Compiled by Our Staff From Dispatches

NEW YORK — U.S. stocks soared to a record close on Wednesday, as a rise in bonds and a fall in gold calmed inflation fears, at least temporarily.

The Dow Jones industrial average moved above 3,500 for the first time, ending at 3,500.05, up 55.64 points. Rising issues on the New York Stock Exchange outnumbered decliners by a 3-to-2 ratio.

Bond prices rose for the first time in four sessions. That set off computerized program strategies late in the day that pushed stocks higher. "It's clear everybody's watching to see whether interest rates will move higher than they already have," said Thomas Callahan, senior vice president at Yamaichi International (America).

"The market just took off when long-term interest rates fell below 7 percent," said Jon Groveman, president of Ladenburg, Thalmann & Co. It was the first drop in bond yields in three days.

Other than the interest-rate relief and associated program trading, analysts could offer only rumors and speculation to explain the advance.

There was talk that George Soros, the money manager who helped spur the recent gold rally, had swapped the metal for bonds. A spokesman for Mr. Soros refused to comment.

Mr. Soros earlier this month took a 10 percent stake in Newmont Mining. His recent See STOCKS, Page 12

Japanese Raider Gets Suspended Sentence

By James Sterngold
New York Times Service

TOKYO — Mitsubishi Kotani, corporate raider whose shadowy stock-market activities in the 1980s toppled major politicians, bankers and businessmen in a web of illicit activities, was handed a light suspended sentence Wednesday after being convicted of a multimillion-dollar stock-manipulation scheme.

Mr. Kotani has become a symbol of the excesses of what is known here as the bubble era, and so his case was closely watched. He rose from obscurity to a dominant position in the market in the late 1980s. He was frequently pictured with prominent business and political leaders, and boasted that he could raise hundreds of millions of dollars for his stock-market forays with a few phone calls.

Mr. Kotani has faced two indictments. In one, in which he was found guilty, he was charged with having worked secretly with a group of investors to force up illegally the price of shares in Fujita Tourist Enterprises, a resort group. The manipulation produced millions of dollars in profits for the members of the group. Mr. Kotani was given an 18-month suspended sentence.

Shigeru Matsura, the chief judge presiding over the case, sought to sound a tough note when he handed down what was regarded as a modest sentence. "Please control yourself," he said. "You were spoiled child of the era."

In the other indictment, Mr. Kotani is charged with extorting 30 billion yen (\$270 million) from a company whose shares he also reportedly manipulated, Janome Sewing Machine Co. Mr. Kotani is alleged to have acquired a sizable stake in the company, then threatened to sell the shares to gangsters to whom he was close unless the company bought back the shares at prices well above the market level.

The company eventually arranged for several hundred millions of dollars in payments and loans. Mr. Kotani has denied the charges and the case is pending.

Mr. Kotani's Koshin group staged Japan's first and last hostile takeover, of an aerial-surveying company called Kokusai Kogyo, in 1988.

Mr. Kotani is charged with having engaged in the Fujita manipulation scheme and the Janome extortion to pay off debts from the takeover of Kokusai Kogyo. Mr. Kotani is said to have found his finances seriously stretched after succeeding in his raid on the company, particularly after the sharp decline in stock prices in 1990.

Danes Plan for 'Better Times'

Compiled by Our Staff From Dispatches

COPENHAGEN — Denmark on Wednesday swiftly exploited a referendum vote in favor of the Maastricht treaty that ended a year of economic uncertainty, cutting interest rates, announcing tax breaks and outlining a new growth package.

The Danish Central Bank began by cutting its long-term discount and key deposit rates by one point to 8.25 percent and its two-week rate, also by one point, to 8.75 percent.

It said the 56.8 percent "yes" vote in Tuesday's referendum, which reversed last June's narrow Danish rejection of the treaty on political, economic and monetary union, had made the rate cuts possible.

Denmark also launched 250 million European Currency Units (\$300 million) of 6.75 percent, three-year bonds.

Prime Minister Poul Nyrup Rasmussen, meanwhile, unveiled an economic package called "A New Course Towards Better Times" that included substantial income tax cuts. "We now have the flexibility to do more in Denmark to break the vicious circle of unemployment," he said.

Mr. Rasmussen, a Social Democrat at the head of a four-party majority government, said the tax reform would cut the top and bottom marginal income-tax rates to 58 percent and 38 percent respectively, from 68 percent and 52 percent now, over a five-year period.

The package, which has to be approved by parliament, proposed bringing forward public infrastructure investments and labor market reforms designed to help create new jobs.

Danish unemployment is at a record 12 percent, or 336,000 people, and is the dark spot in a generally sound economy that boasts annual inflation of 1 percent and a solid balance-of-payments surplus.

Environmental tax increases to help pay for increased expenditure and reduced public income will be levied on gasoline starting next year and on diesel oil from 1997. Coal and electricity levies will be increased gradually and a new levy on household water consumption is to be introduced.

Lego A/S, the Danish toy maker, said it would immediately resume construction of a 300 million kroner (\$50 million) factory that was mothballed after last June's "no" vote.

The growth plan quickly came under fire from the opposition Liberal Party leader, Uffe Ellemann-Jensen, who said it would increase the state budget deficit, dent the balance-of-payments surplus and fuel inflation.

(Reuters, Knight-Ridder, Bloomberg)

CURRENCY & INTEREST RATES

Cross Rates									
	\$	D.M.	F.F.	Lira	D.P.	S.P.	Yen	CS	PKR
Australian	1.52	2.05	1.37	1.23	1.23	1.23	1.23	1.23	1.23
British	1.73	2.02	1.36	1.21	1.21	1.21	1.21	1.21	1.21
Canadian	1.33	1.75	1.18	1.12	1.12	1.12	1.12	1.12	1.12
French	1.36	1.81	1.25	1.14	1.14	1.14	1.14	1.14	1.14
German	1.36	1.81	1.25	1.14	1.14	1.14	1.14	1.14	1.14
Italian	1.36	1.81	1.25	1.14	1.14	1.14	1.14	1.14	1.14
Japanese	1.36	1.81	1.25	1.14	1.14	1.14	1.14	1.14	1.14
Spanish	1.36	1.81	1.25	1.14	1.14	1.14	1.14	1.14	1.14
Swiss	1.36	1.81	1.25	1.14	1.14	1.14	1.14	1.14	1.14
Turkish	1.36	1.81	1.25	1.14	1.14	1.14	1.14	1.14	1.14
U.S.	1.36	1.81	1.25	1.14	1.14	1.14	1.14	1.14	1.14

Eurocurrency Deposits									
	Dollar	D-Mark	Swiss Franc	French Franc	Yen	ECU			
1 month	3 1/4	7 1/4	5 1/4	7 1/4	3 1/4	7 1/4			
3 months	3 1/4	7 1/4	5 1/4	7 1/4	3 1/4	7 1/4			
6 months	3 1/4	7 1/4	5 1/4	7 1/4	3 1/4	7 1/4			
1 year	3 1/4	7 1/4	5 1/4	7 1/4	3 1/4	7 1/4			

Key Money Rates									
	United States	Close Prev.	Britain	Close Prev.					
Discount rate	7 1/2	7 1/2	Bank base rate	6 1/2	6 1/2				
Prime rate	8 1/2	8 1/2	Call money	6 1/2	6 1/2				
Floating funds	7 1/2	7 1/2	1-month interbank	6 1/2	6 1/2				
3-month CD	7 1/2	7 1/2	3-month interbank	6 1/2	6 1/2				
6-month CD	7 1/2	7 1/2	6-month interbank	6 1/2	6 1/2				
9-month CD	7 1/2	7 1/2	9-month interbank	6 1/2	6 1/2				
1-year CD	7 1/2	7 1/2	1-year interbank	6 1/2	6 1/2				
1-year Treasury bill	7 1/2	7 1/2	1-year OAT	7 1/2	7 1/2				
2-year Treasury bill	7 1/2	7 1/2							
3-year Treasury bill	7 1/2	7 1/2							
5-year Treasury bill	7 1/2	7 1/2							
10-year Treasury note	7 1/2	7 1/2							
30-year Treasury bond	7 1/2	7 1/2							
Merrill Lynch 30-day Treasury bill	7 1/2	7 1/2							

Other Dollar Values											
	Currency	Per \$	Currency	Per \$	Currency	Per \$	Currency	Per \$	Currency	Per \$	
Australian	1.52	0.66	British	1.73	0.58	Canadian	1.33	0.75	French	1.36	0.73
German	1.36	0.73	Italian	1.36	0.73	Japanese	1.36	0.73	Spanish	1.36	0.73
Swiss	1.36	0.73	Turkish	1.36	0.73	U.S.	1.36	0.73			



Our 204th business year

Extracts from our report for the year ending December 31, 1992

Key data (in DM million)	1992	1991
Business Volume	3,836	7,800
Total Assets	7,967	6,801
Deposits	5,697	5,251
Bills and Advances	5,689	5,535
Equity	1,035	1,020

The Partners
Cologne/Frankfurt/Munich, May 1993

MARKET DIARY

STOCKS: Ebbing Inflation Fears

(Continued from first finance page) successes in the currency markets have given his moves significance for investors, and the Newmont purchase helped push gold up about \$30 an ounce. It was sharply higher early on Wednesday, but then lost all of its gains and ended slightly lower.

The June gold contract on the Commodity Exchange fell \$1.80, to \$374.20, after having been up as much as \$7.50 in early trading.

In the stock market, there also were reports that speculators were caught in what is called a short squeeze. These traders had borrowed shares and then sold them, betting that stock prices would fall and they could repurchase the securities at lower prices before returning them to the lenders.

The market began to rise, these short sellers faced the choice of closing out their positions by buying stocks and accepting their losses, or face the possibility of an even more unprofitable situation if the advance continued.

Looking at the market, Peter Blades, who publishes StockMarketCycles.com from Santa Rosa, Calif., painted a picture that was balanced between longer-term negatives and shorter-term positives.

"The cycles continue to paint a potentially gloomy picture for the market's outlook," he said. "But many of the technical indicators

GOLD: Market to Remain Volatile

(Continued from page 1) for themselves — is to have refused interest on gold as an alternative to financial markets that seem to be going nowhere, especially in the United States where concern has been mounting over the date of President Bill Clinton's deficit-cutting program.

"The stock market has topped out and no one knows where to go," he said.

Stewart Murray, chief executive of Gold Fields Mineral Services Ltd. in London, stressed that the latest push did not come from the gold market itself, even though his own annual report had helped intensify the rally last week by pinpointing large demand from China.

"No, it's not the Chinese," he said. "It's mostly from your side of the pond — options, producers covering, American money managers coming into gold, and all that activity."

In New York, most of the force behind the price rise seems to have come from disenchanted pension and mutual fund managers, some of whom also are said to have taken profits Wednesday.

"They are not putting in much, only a very small part of their portfolios, but gold is a very narrow market and that's enough to move it," Ms. Raptopoulos said.

The most important proponent under the market, Mr. Murray said, was a continuing demand for gold by many small mining companies, which sold their production to banks in advance for several years before they actually dug up the gold.

The other important but more intangible factor is the attitude of central banks. Gold Fields Mineral Services reported that last year central banks — especially Belgium and Holland — sold almost 600 metric tons, the largest from official sources in years.

Dollar Turns Lower

The dollar ended lower Wednesday after a U.S. official apparently called for a stronger yen and then seemed to reverse that call, Knight-Ridder News Service said.

The U.S. currency ended at 1.6231 Deutsche marks down from 1.6247 DM late Tuesday, and at 110.60 yen, down from 111.47 yen.

Commerce Secretary Ronald H. Brown said after news of a wider trade deficit that "corrections" in currency rates were needed to help reduce the U.S. trade gap with Japan but later said the exchange rate was not the "pre-embryo" factor.

The Dow

Table with columns: Open, High, Low, Last, Chg. Data for Dow Jones Averages.

Standard & Poor's Index

Table with columns: High, Low, Close, Chg. Data for Standard & Poor's Index.

NYSE Indexes

Table with columns: High, Low, Close, Chg. Data for NYSE Indexes.

NASDAQ Indexes

Table with columns: High, Low, Close, Chg. Data for NASDAQ Indexes.

AMEX Stock Index

Table with columns: High, Low, Close, Chg. Data for AMEX Stock Index.

Dow Jones Bond Averages

Table with columns: Close, Chg. Data for Dow Jones Bond Averages.

Market Sales

Table with columns: Buy, Sell, Short. Data for Market Sales.

N.Y.S.E. Odd-Lot Trading

Table with columns: Buy, Sell, Short. Data for N.Y.S.E. Odd-Lot Trading.

NYSE Most Actives

Table with columns: Vol., High, Low, Last, Chg. Data for NYSE Most Actives.

NYSE Diary

Table with columns: Advance, Decline, Unchanged, New Highs, New Lows. Data for NYSE Diary.

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EUROPEAN FUTURES

Table with columns: Class, High, Low, Pre-Close, Chg. Data for European Futures.

COCA (FOOD)

Table with columns: High, Low, Pre-Close, Chg. Data for COCA (FOOD).

COFFEE (FOOD)

Table with columns: High, Low, Pre-Close, Chg. Data for COFFEE (FOOD).

WHITE SUGARS (FOOD)

Table with columns: High, Low, Pre-Close, Chg. Data for WHITE SUGARS (FOOD).

Metals

Table with columns: High, Low, Pre-Close, Chg. Data for Metals.

3-MONTH STERLING (LIFPE)

Table with columns: High, Low, Pre-Close, Chg. Data for 3-MONTH STERLING (LIFPE).

3-MONTH EUROOLLARS (LIFPE)

Table with columns: High, Low, Pre-Close, Chg. Data for 3-MONTH EUROOLLARS (LIFPE).

3-MONTH EURO DOLLARS (LIFPE)

Table with columns: High, Low, Pre-Close, Chg. Data for 3-MONTH EURO DOLLARS (LIFPE).

LONG GILT (LIFPE)

Table with columns: High, Low, Pre-Close, Chg. Data for LONG GILT (LIFPE).

U.S. FUTURES

Grains

Table with columns: High, Low, Pre-Close, Chg. Data for Grains.

Metals

Table with columns: High, Low, Pre-Close, Chg. Data for Metals.

Livestock

Table with columns: High, Low, Pre-Close, Chg. Data for Livestock.

Food

Table with columns: High, Low, Pre-Close, Chg. Data for Food.

Financial

Table with columns: High, Low, Pre-Close, Chg. Data for Financial.

American to Ground More Aircraft

(DALLAS—Combined Dispatches) — American Airlines will ground additional aircraft this year, a move that will trigger more layoffs at the largest U.S. airline, the chairman, Robert L. Crandall, said Wednesday.

American still is reviewing what types of aircraft might be retired from its fleet, although McDonnell Douglas DC-10s and Boeing 777s are the most likely candidates, Mr. Crandall said after the annual shareholder meeting of American's parent company, AMR Corp.

About 150 jobs are tied to each aircraft, on average, Mr. Crandall said. He would not speculate on how many layoffs he would actually result.

Ms. Crandall also said American had talked about forming partnerships with European airlines to increase its access to the Continent. He said American had spoken with Lufthansa, British Midland, Air France, SAS and KLM Royal Dutch Airlines. "You name it, we've talked to them," he said.

GTE to Sell Lines to Citizens Utilities

(STAMFORD, Conn.—Combined Dispatches) — GTE Corp., the largest operator of local phone systems in the United States, said Wednesday its GTE Telephone Operations unit had agreed to sell 500,000 access lines in nine states to Citizens Utilities Co. for \$1.1 billion.

The agreement, expected to be completed in 1994, is subject to approval by the Federal Communications Commission, the Department of Justice and regulatory agencies in each state in which the properties are located.

GTE will use the proceeds to pay some of its \$2.2 billion in short-term debt, said Bob Brand, a GTE spokesman. The company currently has a total of \$15.6 billion in debt. GTE expects to take a one-time gain when the sale is completed, Mr. Brand said.

Campbell Posts Record Earnings

(CAMDEN, New Jersey—AP) — Campbell Soup Co. reported record third-quarter sales and earnings Wednesday, crediting the purchase of a controlling interest in Australia's largest cookie maker.

The sixth-largest U.S. food company posted profit of \$108.5 million, or 43 cents a share, an 18.6 percent increase for the period ended May 2. During the comparable 1992 period, Campbell had earnings of \$91.5 million, or 36 cents a share. Sales for the quarter rose 6.5 percent to a record \$1.63 billion, compared with \$1.53 billion.

The Campbell president, David W. Johnson, cited the recent acquisition of a majority stake in the Australian cookie and cracker maker, Arnotts, for the record performance. In early February, Campbell increased its stake in Arnotts to 58 percent from 33 percent. Campbell wants to use the Australian company as a springboard into Asia.

Imcera Plans to Close 11 Plants

(NORTHBROOK, Illinois—UPI) — Imcera Group Inc. said Wednesday it would close 11 of its 27 Farnam-Moore animal-health-care unit's worldwide production facilities and eliminate more than 1,000 jobs in a restructuring of its subsidiary in Mundelein, Illinois.

Imcera provides human and animal health-care products and specialty chemicals through its three international business units: Farnam-Moore; Mallinckrodt Medical of St. Louis; and Mallinckrodt Specialty Chemicals of Chesterfield, Missouri. The company had consolidated sales of more than \$1.7 billion last year.

Plants targeted for closure include facilities in the United States, South America, Britain and the Pacific Rim.

For the Record

The Securities and Exchange Commission will ask Congress for authority to control securities firms' use of political contributions in the municipal bond market, SEC Commissioner Richard Roach said.

A federal judge reduced the scope of a copyright suit brought by Apple Computer Inc. against Microsoft Corp. and Hewlett-Packard Co., a copy of the judge's ruling shows.

Ross Perot Jr. has purchased the Circle T Ranch from the bankrupt estate of Nelson Bunker Hunt, the Dallas Morning News reported. Neither the purchase price nor terms were disclosed.

Usinor Sets Cost of Saarstahl

(PARIS — Usinor Saclor's financial director, Robert Hudry, said Wednesday that the bankruptcy of Saarstahl-Voelklingen would cost the French concern 1.6 billion francs (\$292.2 million).

Mr. Hudry said at a news conference, "we couldn't go on filling the holes," in explaining why Saarstahl had filed an insolvency petition with a German court Tuesday. Saarstahl is owned by DEW Dillingh-Heil Saarstahl, which is 70 percent owned by Usinor Saclor.

"Unfortunately, we do not see any improvement before we are well into 1994," he said. "The needs will accumulate to reach amounts beyond our means."

WORLD STOCK MARKETS

Large table listing world stock markets with columns for market name, close, previous close, and change.

U.S. FUTURES

Table listing U.S. futures contracts with columns for contract name, open, high, low, close, and change.

U.S. / AT THE CLOSE

Table listing U.S. market data at the close, including stock indices, commodity indices, and various market metrics.

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Strike Underscores Germany's East-West Divide

By Tyler Marshall
Los Angeles Times Service

HENNINGSDORF, Germany—Reluctance among local officials of the East German metalworkers union to accept a compromise wage settlement worked out by their national leadership reflects the depth and severity of new social tensions that have become part of reunified Germany.

In part, the delay that has followed last week's announcement of an agreement is understandable. After all, more than 60 years and two dictatorships have passed since the last official strike in the region.

But in its own way, the local resistance to embrace clear union victory underscores a hard reality in a new Germany. The strains of unification remain a powerful force.

After days of often bitter internal debate, local union leaders in the last of five East German states reluctantly agreed this week to submit the accord for vote ratification by rank-and-file members. Since only 25 percent approval is required to ratify, the ballot was largely a formality.

However, local union officials in the steel sector have rejected the compromise formula entirely and are unlikely to meet employers' representatives for further talks before the weekend.

Such internal differences within the trade-union movement are highly unusual in Western Germany.

In Western Germany, "the union rank and file has almost always been loyal and showed solidarity with its leadership," noted Marks Scheuer, a labor-relations specialist at the Rhine-Westphalia Institute for Economic Research in Essen. "The Eastern worker thinks differently."

In part, the problem in the current strike has been one of suspicion — suspicion on the part of local union officials in the East about the way the Western-dominated leadership of the giant IG Metall metalworkers union pressed its attack, then called for a cease-fire when it appeared to have the employers in full retreat.

"It's hard for us to understand them; it's hard for them to understand us," said Hans Schwarz, a strike leader at Eastern Germany's most modern steelworks on the outskirts of this town 20 miles (32 kilometers) northwest of Berlin. "Growing together is going to take a long time."

But just like other East and West Germans, the union's Western leadership and its East German members are also separated by vastly differing experience.

"Western workers have grown up with the understanding that profits have to be earned before they can be distributed, but in the East, they can't get beyond the social-justice issue," Mr. Scheuer said.

Idle steelworkers outside the Hennigsdorf plant, for example, complained bitterly that unity meant they now pay the same for rent and food as Western Germans, work just as hard but earn only 60 percent as much. "That's not unification, that's exploitation," one striker declared.

For anyone who has listened to such comments and tested the mood along the picket lines during the past two weeks, it is also clear the stakes in the present dispute involve more than just a new wage contract. They also include a test of the country's much-envied shop-floor consensus — a consensus that once served as a cornerstone of West Germany's famed "economic miracle" and later guarantor of the country's enormous material success.

More Strikers Return to Work

The first legal strike in Eastern Germany in more than six decades appeared to be nearing an end Wednesday as 21,000 metalworkers in the southern state of Saxony moved from the picket line back to the assembly line, Reuters reported from Berlin.

Strikers in the Baltic coast state of Mecklenburg-Western Pomerania also voted to end the strike and 15,000 idled workers there will return to the job on Thursday.

Two other Eastern regions cast ballots on Wednesday and were expected to accept compromise deals signed by IG Metall union leaders and engineering employers. Only the small Eastern steel sector has not yet reached an agreement.

Meanwhile, IG Metall's chairman, Franz Steinkühler, came under intensifying pressure to quit over allegations of insider trading. Voices from the union-friendly Social Democratic Party urged Mr. Steinkühler to either clear up the allegations or step down, joining earlier calls from other parties and union members for the beleaguered union chief to quit.

Mr. Steinkühler has denied he traded on inside information when he bought shares in Mercedes AG Holding just before Daimler-Benz announced a share-swap deal with Mercedes last month that lifted its price by nearly 20 percent in one day.

The deal left the union boss — known for his fancy suits, fast cars and fiery oratory — with a profit of 100,000 Deutsche marks (\$62,000). Mr. Steinkühler is a member of the Daimler-Benz AG supervisory board.

Many Roadblocks to One EC Currency Tough Economic Criteria Are Hard to Meet in a Recession

Compiled by Our Staff From Dispatches

BRUSSELS—The Danish vote in favor of the Treaty on European Union cleared one obstacle to the plans for a single currency for the European Community, but recessionary pressures are expected to impede progress, observers said Wednesday.

Rising unemployment and shrinking economies in most EC countries will make it hard for the members to meet the convergence criteria laid out in the treaty signed in Maastricht, the Netherlands. These rules are intended to raise the economic standards of the EC countries close to the levels of the best performers in such areas as inflation and budget deficits.

Although the Danish vote on Tuesday rescinded the country's rejection last June of the Maastricht treaty, the original vote against the accord is still creating problems.

The first vote plunged the Community into a crisis that peaked in September, forcing Britain and Italy out of the European Monetary System's exchange-rate mechanism. Its reverberations were felt again recently, when

Ireland, Spain and Portugal devalued their currencies under pressure from speculators.

The devaluations caused a political schism in the Community, threw the single-currency timetable into doubt and raised questions on the future of the 12-nation bloc. Denmark negotiated an opt-out from the single-currency track among concessions it won in December.

Many politicians, including Foreign Minister Willy Claes of Belgium, whose country takes over the EC presidency in July, are questioning the criteria for creation of a single currency in light of current economic problems in the Community.

EC Commission officials are revising 1993 economic forecasts to show no change at best, and a 0.5 percent recession at worst. In January, they predicted growth of 0.8 percent.

Unemployment in the Community, more than 17 million and predicted to rise in 1994, is another worry. With welfare payments growing and tax revenues falling, there is added pressure on government budgets.

"I really believe that if recession is still there in 1993 and 1994, and if all member states face serious budget deficits, we have to discuss convergence criteria," Mr. Claes said.

By far the toughest Maastricht stipulation is that budget deficits must not be more than 3 percent of gross domestic product. Government debt also must be no more than 60 percent of GDP, or a country must at least be making steady progress toward that goal.

Currently, only Denmark, Ireland and Luxembourg have government deficits below 3 percent of GDP.

Observers pointed out some interpretation is built into the Maastricht treaty. But a change in convergence targets would require renegotiation of the treaty. This would meet resistance from Germany and the Netherlands.

EC finance ministers are to gather in Denmark this weekend to discuss changes in the ERM in a debate that will pit the devalued currencies against the hard-core ones. Despite German and Dutch resistance, the issue of relaxing convergence criteria will remain a hot topic.

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U.K. Sales Dampen Hopes for a Boom

Bloomberg Business News

LONDON—British retail sales sagged in April for the first time since December 1992, official figures showed Wednesday, tempering hopes for an economic boom this year.

The unexpected 0.3 percent decline in sales, on the heels of a 0.3 percent drop in March manufacturing output announced Tuesday, is stirring talk that the Conservative government may trigger a cut in bank base-lending rates from the current 6 percent if the fledgling recovery shows signs of faltering.

"Once politicians panic they have little choice but to turn to monetary policy," said Ian Blance, economist for Britain at Nikko Europe. "We're seeing the first signs that growth is going to moderate into the summer."

Nikko expects base rates to be shaved to 5 percent by June in two separate moves, Mr. Blance said. April retail sales were up 2.4 percent from a year earlier, despite the month-to-month decline, the Central Statistical Office said. Revised figures for March showed retail sales rose 0.2 percent, down from the 0.5 percent increase originally reported, and climbed 4.0 percent from a year earlier, compared with a previously reported 4.1 percent gain.

Analysts had not expected the April decline. The average forecast of economists polled by MMS International was for retail sales to be

up 0.3 percent on the month and 3.4 percent from a year earlier.

"The recovery is very certainly with us, but these figures show it's still going to be patchy in the early stages," said David Owen, British economist at Kleinwort Benson. He expects gross domestic product to grow by 1.5 percent for all of 1993.

"People have been looking for the recovery we've been seeing to keep gathering momentum," Mr. Owen said, "but perhaps we're going to start looking for another cut in base rates now."

A Treasury official said retail sales remained on an "established upward trend," signaling consumer demand remains strong.

"There is plenty of other evidence that consumer demand is strong," the official said, adding, "you shouldn't read too much into one month's figures." Retail sales during the past three months, up 1.3 percent from the previous three months, remain at record levels, the official said.

The biggest monthly decline in retail sales in April was recorded in the mixed retail-business sector, where sales fell 1.4 percent. Food sales dipped 0.3 percent in the month and sales of other nonfood items slid 0.5 percent.

David Coleman, economist at Canadian Imperial Bank of Commerce, said the April decline "signals more of a growth pause than a fresh downturn."

Russia Calls Its First Treasury-Bill Sale a Success

MOSCOW—Russia's central bank said Wednesday that commercial banks had bought less than \$1 billion worth of treasury bills at a pioneering auction, but it still called the sale of the bills a financial breakthrough for Moscow. The bank said commercial banks

had bought Russian three-month bills with a nominal value of \$85.4 million rubles (\$947,965) at the first auction of such securities Tuesday. The tax-free paper, modeled on U.S. Treasury bills, will not dent Russia's debt but could reduce the central bank's inflationary printing

of cash to fund its internal debt. Despite the small amount of bills sold, bank and Finance Ministry officials said the auction would provide a benchmark for interest rates and help to finance the budget deficit. The bills auctioned Tuesday were sold at a discount to their face

value, with the interest being the difference between the price paid and their value at redemption in three months. The bank said the yield on a three-month bond purchased at the minimum price of 83.2 percent of face value would be equivalent to 115.7 percent on an annual basis.

Investor's Europe

Country	Index	Change
Frankfurt	1000	+10
London	1000	+10
Paris	1000	+10
Rome	1000	+10
Madrid	1000	+10
Amsterdam	1000	+10
Berlin	1000	+10
Stockholm	1000	+10
Copenhagen	1000	+10
Oslo	1000	+10
Stockholm	1000	+10
Copenhagen	1000	+10
Oslo	1000	+10

- ### Very briefly:
- International Business Machines Corp.'s Personal Systems Business Unit for Europe, the Middle East and Africa said it had record sales volume in the first quarter of 1993.
 - Saatchi & Saatchi PLC, the British advertising agency, launched a £73 million (\$112 million) rights issue to cut its debt, the company said. It offered shareholders 10 new shares for every 27 shares held at 130 pence per new share.
 - French industrial output, excluding building and public works, fell by 0.9 percent in March from February, official figures showed.
 - Scandinavian Airlines Systems signed an agreement with the British hospital and catering operation Compass Group for the sale of part of the SAS Service Partner Group, SAS said.
 - Volkswagen AG signed an agreement with the Polish government to assemble utility vehicles in the FSR-Antoniak factories near Poznan, western Poland, an Industry Ministry spokeswoman said.
 - UNI Storebrand, Norway's biggest insurance company, reported a first-quarter profit of 150 million kroner (\$22 million), compared with a loss of 151 million kroner in the same period last year.

Deutsche Bank Lifts Net 20%

FRANKFURT—Deutsche Bank AG said Wednesday its group operating profit in the first four months of 1993 had risen 20 percent on a pro-rata basis. For 1992, Deutsche Bank reported group operating profit up 7 percent to 6.39 billion Deutsche marks (\$3.9 billion). Therefore, the 1992 pro-rata for the first four months would be 2.13 billion DM, and a 20 percent increase would put four-month 1993 operating profit at 2.56 billion DM.

German banks traditionally do not compare interim figures with the same period of the previous year, but with a pro-rata of full year-ago figures — in this case, with four-twelfths of 1992. Operating profit in the first four months was boosted above all by a 32 percent increase in net earnings from the bank's trading on its own account. Net interest income rose 6 percent, and net fee income rose 13 percent on the pro-rata of 1992.

NASDAQ

Wednesday's Prices
NASDAQ prices as of 4:00 p.m. New York time. The list compiled by the NYSE consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

Symbol	High	Low	Open	Close	Change
IBM	100.00	98.00	99.00	99.00	-0.50
MSFT	40.00	39.00	39.50	39.50	-0.50
GE	30.00	29.00	29.50	29.50	-0.50
AMZN	15.00	14.00	14.50	14.50	-0.50
GOOG	25.00	24.00	24.50	24.50	-0.50
ORCL	20.00	19.00	19.50	19.50	-0.50
INTC	18.00	17.00	17.50	17.50	-0.50
QCOM	12.00	11.00	11.50	11.50	-0.50
TXN	10.00	9.00	9.50	9.50	-0.50
WDC	8.00	7.00	7.50	7.50	-0.50
HPQ	7.00	6.00	6.50	6.50	-0.50
CRM	6.00	5.00	5.50	5.50	-0.50
ADSK	5.00	4.00	4.50	4.50	-0.50
PLTR	4.00	3.00	3.50	3.50	-0.50
CDW	3.00	2.00	2.50	2.50	-0.50
WYNN	2.00	1.00	1.50	1.50	-0.50
WYNN	1.00	0.50	0.75	0.75	-0.25
WYNN	0.50	0.25	0.375	0.375	-0.125
WYNN	0.25	0.125	0.1875	0.1875	-0.0625
WYNN	0.125	0.0625	0.09375	0.09375	-0.03125
WYNN	0.0625	0.03125	0.046875	0.046875	-0.015625
WYNN	0.03125	0.015625	0.0234375	0.0234375	-0.0078125
WYNN	0.015625	0.0078125	0.01171875	0.01171875	-0.00390625
WYNN	0.0078125	0.00390625	0.005859375	0.005859375	-0.001953125
WYNN	0.00390625	0.001953125	0.0029296875	0.0029296875	-0.0009765625
WYNN	0.001953125	0.0009765625	0.001471875	0.001471875	-0.00048828125
WYNN	0.0009765625	0.00048828125	0.00073640625	0.00073640625	-0.000244140625
WYNN	0.00048828125	0.000244140625	0.0003471875	0.0003471875	-0.0001171875
WYNN	0.000244140625	0.0001220703125	0.0002109375	0.0002109375	-0.0000703125
WYNN	0.0001220703125	0.00006103515625	0.00010546875	0.00010546875	-0.00003515625
WYNN	0.00006103515625	0.000030517578125	0.000052734375	0.000052734375	-0.000017578125
WYNN	0.000030517578125	0.0000152587890625	0.0000263671875	0.0000263671875	-0.0000087890625
WYNN	0.0000152587890625	0.00000762939453125	0.00001318359375	0.00001318359375	-0.00000439453125
WYNN	0.00000762939453125	0.000003814697265625	0.000006591796875	0.000006591796875	-0.000002197265625
WYNN	0.000003814697265625	0.0000019073486328125	0.0000032958984375	0.0000032958984375	-0.0000010986328125
WYNN	0.0000019073486328125	0.00000095367431640625	0.00000164794921875	0.00000164794921875	-0.00000054931640625
WYNN	0.00000095367431640625	0.000000476837158203125	0.000000823974609375	0.000000823974609375	-0.000000274658203125
WYNN	0.000000476837158203125	0.0000002384185791015625	0.0000004119873046875	0.0000004119873046875	-0.0000001373291015625
WYNN	0.0000002384185791015625	0.00000011920928955078125	0.00000020599365234375	0.00000020599365234375	-0.00000006866455078125
WYNN	0.00000011920928955078125	0.000000059604644775390625	0.000000102996826171875	0.000000102996826171875	-0.000000034332275390625
WYNN	0.000000059604644775390625	0.0000000298023223876953125	0.0000000514984130859375	0.0000000514984130859375	-0.0000000171661376953125
WYNN	0.0000000298023223876953125	0.00000001490116119384765625	0.00000002574920654296875	0.00000002574920654296875	-0.00000001038306884765625
WYNN	0.00000001490116119384765625	0.000000007450580596923828125	0.000000012874603271484375	0.000000012874603271484375	-0.0000000051915344193828125
WYNN	0.000000007450580596923828125	0.0000000037252902984619140625	0.0000000064373016357421875	0.0000000064373016357421875	-0.000000002595767209690625
WYNN	0.0000000037252902984619140625	0.00000000186264514923095703125	0.00000000321865081787109375	0.00000000321865081787109375	-0.0000000012978836048453125
WYNN	0.00000000186264514923095703125	0.000000000931322574615478515625	0.000000001609325408935546875	0.000000001609325408935546875	-0.00000000064894180242265625
WYNN	0.000000000931322574615478515625	0.0000000004656612873077392578125	0.0000000008046627044677734375	0.0000000008046627044677734375	-0.000000000324470901211328125
WYNN	0.0000000004656612873077392578125	0.00000000023283064365386962890625	0.00000000040233135223388671875	0.00000000040233135223388671875	-0.0000000001622354506056640625
WYNN	0.00000000023283064365386962890625	0.000000000116415321826934814453125	0.000000000201165676116943359375	0.000000000201165676116943359375	-0.00000000008111772530283203125
WYNN	0.000000000116415321826934814453125	0.0000000000582076609134674071875	0.0000000001005828380584716796875	0.0000000001005828380584716796875	-0.000000000040558862651416015625
WYNN	0.0000000000582076609134674071875	0.00000000002910383045673370359375	0.00000000005029141902923583984375	0.00000000005029141902923583984375	-0.000000000020279431325708015625
WYNN	0.00000000002910383045673370359375	0.000000000014551915228366851796875	0.000000000025145709514617919921875	0.000000000025145709514617919921875	-0.000000000010139715657804015625
WYNN	0.000000000014551915228366851796875	0.0000000000072759576141834258984375	0.0000000000125728547573089599609375	0.0000000000125728547573089599609375	

Japan, Land of Sinking Hopes In Asian Consumer-Confidence Poll, It Finishes Last

By Michael Richardson
International Herald Tribune

SINGAPORE — While Japanese are deeply pessimistic about their living standards in the near term, a large majority of people in six other East Asian economies believe that their conditions will improve, a consumer confidence survey shows.

The survey, the first of its kind in Asia, was carried out by MasterCard International and is for publication Thursday.

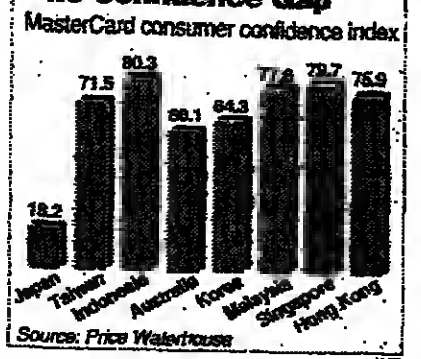
The poll, conducted in March and April by Price Waterhouse Management Consultants, surveyed about 400 consumers in each of eight countries: Australia, Hong Kong, Indonesia, Japan, South Korea, Malaysia, Singapore and Taiwan. MasterCard said it had a margin of error of plus or minus 5 percentage points.

People were asked about their expectations over the next six months in five areas: employment opportunities, the national economy, personal income, the stock market and quality of life.

Their responses were rated on a scale on which 100 was the highest score and 50 indicated no change was expected. Indonesia topped the index with a consum-

er-confidence mark of 80.3, followed by two other strongly growing Southeast Asian economies, Singapore (79.7) and Malaysia (77.6). The newly industrialized economies of Hong Kong (75.9), Taiwan (71.5) and South Korea (64.3) were in the middle of the range, with the two biggest mature industrial economies — Australia (60.1) and Japan (18.2) — at the bottom.

In contrast to the buoyancy in much of the



rest of the region, only 1 percent of Japanese thought that their employment situation would get better. 5 percent felt their quality of life would improve, and fewer than 10 percent expected their incomes to rise.

"The Japanese are going through a major adjustment right now," said Bruce Convisar, head of market research for MasterCard in the Asia-Pacific region. "They grew up with the notion of lifetime employment, but all of a sudden someone has changed the rules, and people are nervous."

In Hong Kong, Mr. Convisar pointed out, consumer confidence was high in all categories except employment, despite China's vehement opposition to proposals by the British governor of the colony, Chris Patten, to broaden democracy before Hong Kong is returned to Chinese rule in 1997.

"What we're seeing is a split personality" in Hong Kong, Mr. Convisar said. "People are concerned about politics, but politics doesn't seem to be impacting everyday life and business."

MasterCard plans to continue to survey consumer confidence in the eight Asia-Pacific countries every six months, for publication in May and November.

China Consortium Buying Majority of Kader Investment

Bloomberg Business News

HONG KONG — A consortium led by China-controlled companies said Wednesday it was buying a 74 percent stake in the Hong Kong property company Kader Investment for \$82.5 million Hong Kong dollars (\$74.7 million), in the latest of a rapidly growing list of takeovers of Hong Kong listed companies by mainland investors.

The group will acquire 38 percent of the shares from the Hong Kong toy company Kader Holdings and 36 percent from its chairman, Dennis Ting, the vice chairman, Kenneth Ting, and his associates, at 7.02 dollars per share.

Kader Holdings owned 40 percent of the Thai toy factory that burnt to the ground last week, causing the death of more than 200 people. Analysts say the sale of Kader Investment is not thought to be related to the impact of the fire on the group.

The consortium is led by Essential Assets, a company jointly owned by Shougang Holding (Hong Kong) — which is a subsidiary of China's state-owned steel-making giant Shougang Corp. — and by Kotech Investment, which is owned by state-owned companies under China's Construction Ministry.

It also includes Botany Ltd., a company 87.5 percent owned by Cheung Kong (Holdings), the main investment vehicle of the Hong Kong tycoon Li Ka-shing, and 12.5

Singer Credit In China Deal

Bloomberg Business News

HONG KONG — Singer Credit Co., jointly owned by the Hong Kong consumer-products company Semi-Tech (Global) and its U.S.-listed subsidiary, Singer Co., signed an agreement Wednesday to bring installment programs to China. Semi-Tech said.

Singer Credit will own 66.7 percent of the China venture and its partner, Singer Trust & Credit (Shanghai) Co., will own the other 33.3 percent.

percent controlled by CEF Holdings, which is a joint-venture financial concern between Cheung Kong and the Canadian Imperial Bank of Commerce.

Essential will buy 68 percent of the shares and Botany will take 14 percent. The rest will be divided between two other companies owned by Hong Kong businessmen, one by Martin Kuk and the other by Leo Lee and his family.

The consortium is also buying 73 percent of Kader Investment's warrants from Kader Holdings and the Tig family at 3.07 dollars for each warrant.

TVNZ: Small Contender, Big Ambitions

By Kevin Murphy
International Herald Tribune

HONG KONG — Despite being a long way from anywhere, Television New Zealand Ltd. executives say they already are where most of the world's media, entertainment and telecommunications groups want to be: profitable, horizontally integrated and ready to break into Asia.

"What we have achieved is what the others are shooting for," said David Nicholson, assistant director for corporate development at TVNZ. "We're operating in a completely unregulated market at home and we can mix ourselves in whatever businesses we like."

The recent decision by Time Warner Inc. to sell 25 percent of its entertainment subsidiary to the telephone concern US West Inc. has capped a string of major mergers in the global broadcasting and telecommunications arena.

Industry speculation now centers on how far the cross-ownership craze can go before reaching regulatory hurdles, and which major groups might next tie the knot.

TVNZ, which is 100 percent government-owned and operates two complementary television channels, has already walked down the aisle with several partners at home. It plans to do the same in the world's fastest-growing broadcasting market through its involvement with Asian Business News, a satellite news service to be based in Singapore, and other spin-off projects.

The commercial broadcaster, which had 83 percent of the New Zealand market last year, now owns stakes in a telephone company, Clear Communications Ltd., a pay-TV group, Sky

Network Television Ltd., a broadcasting operation, a Pacific islands satellite broadcast network and a big production house that is making shows for the Discovery Channel, one of the fastest growing channels in U.S. cable TV.

"For a former public-service type of company, they have proved to be exceptionally competitive in a commercial world," said Peter J. Cox, a media analyst in Sydney. "We've watched their progress with interest and admire their adventurousness. I'm sure our national broadcaster would love to have their attitude." He

'For a former public-service type of company, they have proved to be exceptionally competitive in a commercial world.'
Peter J. Cox, media analyst

was referring to Australian Broadcasting Corp. TVNZ's partners in New Zealand include companies like Time Warner, Bell Canada, MCI Communications Corp. and Tele-Communications Inc., the largest cable TV operator in the United States with whom it equally shares a 72 percent stake in ABN. Most, said TVNZ's group chief executive, Brent Harman, are interested in working together in Asia.

"They are small but ambitious and we like dealing with them," said Adam Singer, vice president of TCI International in Denver.

"Their basic strategy of using every one of their assets to the maximum is a good one. We're already talking about further projects in Asia with them."

"We're trying to leverage up our core competencies into international operations," said Mr. Harman. "Everything we do is aimed at becoming the leading electronic-communications company in the west Pacific or East Asia."

A tall order perhaps, but the company, while small — its 1992 profit was 23 million New Zealand dollars (\$12.3 million) — has experience and some interesting ideas. For example, TVNZ plans to introduce an education channel in Asia by the end of next year. The ability to send fax by satellite broadcast now being fine-tuned will aid the teaching process.

"We're getting some attention because we're already doing most of the things being talked about by other big companies," said Mr. Harman, who has been wooed by Hong Kong-based STAR TV, which wants to join forces with ABN on regional business coverage.

Mr. Harman's former boss at TVNZ, Julian Mounter, now runs STAR TV, Asia's dominant satellite broadcaster. However, Mr. Harman said ABN was in no hurry to commit to a partnership before its 96 hours of weekly business news from an Asian viewpoint begins broadcasting from Singapore in later this year.

"The same groups, like Pearson, they're talking to about their business channel. And we're talking to other people as well," said Mr. Harman. "It might make sense for us all to work together, but maybe we won't be able to put all these international groups on the same channel."

Woolworths Outlines \$1.7 Billion Offering

Compiled by Our Staff From Dispatches

SYDNEY — Woolworths Ltd. announced terms Wednesday of its public flotation, Australia's largest ever, which values the company at up to 2.45 billion Australian dollars (\$1.7 billion).

The float of the food and discount variety chain, which is unrelated to the U.S. company of the same name, will be Australia's largest ever if Woolworths achieves its target price of 2.15 to 2.45 dollars a share.

Under the issue, foreign and domestic institutions would be entitled to 30 percent, or 200 million, of the shares up for sale. The retailer is expected to be listed on the Aus-

tralian Stock Exchange on July 12. But the Woolworths executive chairman, Paul Simons, warned that if the share offer were under-subscribed by the final close of the offer on July 9, the issue would be withdrawn. "The vendor is reserving the right to not proceed with the issue if it is under-subscribed," he said at a news conference.

Woolworths was to have been floated last year, but the plan was dropped owing to a downturn in the stock market. The company, which is raising funds to help its indebted parent, Adelaide Steamship Co., announced plans to revive the offering last month.

(AFP, Bloomberg)

Investor's Asia

Exchange	Index	Wednesday Close	Previous Close	% Change
Hong Kong Hang Seng		7,493.88	7,149.90	-0.78
Singapore Straits Times		1,876.81	1,878.01	-0.07
Sydney All Ordinaries		1,682.68	1,677.90	+0.28
Tokyo Nikkei 225		20,380.06	20,229.39	+0.74
Kuala Lumpur Composite		728.43	726.46	+0.55
Bangkok SET		873.52	872.96	+0.06
Seoul Composite Stock		724.76	722.81	+0.30
Taipei Weighted Price		4,446.54	4,495.39	-1.09
Manila Composite		1,574.36	1,596.14	-1.36
Jakarta Stock Index		N.A.	825.32	
New Zealand NZSE-40		1,615.91	1,588.34	+1.74
Bombay National Index		1,065.41	1,058.15	+0.69

Sources: Reuters, AFP
International Herald Tribune

Very briefly:

- Yamaha Corp.'s pretax profit fell 59 percent to 2.8 billion yen (\$25.2 million) in the year ended in March, the company said. Sales at the world's largest maker of musical instruments fell 14 percent, largely reflecting trouble at its housing-equipment division.
- Sega Enterprises Ltd. said group pretax profit jumped 59 percent to the year ended in March, to 57.4 billion yen. Japan's second-largest electronic-games maker after Nintendo said consolidated sales rose 68 percent to 416.2 billion yen.
- Broken Hill Pty., Australia's largest resources concern, said domestic steel shipments in April had risen 15 percent from a year earlier while export steel shipments rose 24 percent.
- China will issue about 44 billion yuan (\$7.69 billion) in construction bonds from 1993 to 1995 for infrastructure projects, the Xinhua news agency reported.
- Japan's electricity consumption rose 4.9 percent in April from a year earlier, but electricity use by manufacturers, an indicator of industrial production, was up only 0.4 percent.
- Land prices in Japan's three largest cities continued to fall in the first three months of 1993. Commercial land prices in Tokyo, Osaka and Nagoya fell an average of 4.43 percent, and residential land prices fell an average of 2.36 percent.

Guangdong Sets Rules To Govern Companies

Bloomberg Business News

HONG KONG — Guangdong Province will institute its first corporate regulations in June, the official Xinhua news agency said Tuesday. The rules could help calm investor fears that erupted after China's first earnings season earlier this year.

The 172 articles spell out the organizational structure, performance and responsibilities of limited-liability and joint-stock companies.

Leveraged Capital Holdings
Weekly net asset value on 17-5-1993
US \$ 56.69
Listed on the Amsterdam Stock Exchange
Information: Van der Stoep Capital Management
Rijksweg 111, 1017 CA Amsterdam
Tel: +31-20-5131412

MANAGE: In Hong Kong, Local Executives Are Supplanting Expatriates

(Continued from first finance page)

also in heavy demand, executive recruitment companies say.

"Understanding the nuances of doing business in China, the ability to communicate, and then coupling that with knowing how to analyze stocks or do a corporate-financial deal are the combination of things needed to be successful," said Scott Hall, managing director of Burns Hall Asia, in a specific reference to the securities industry.

Mr. Marwah of Executive Access said the expatriate managers who

succeeded will have to have more specialized, practical skills than their predecessors. "The ivory tower will become an anachronism," he said. "People will still have the same number of boats and drink the same number of glasses, but the price on them in terms of qualifications will be higher," Mr. Marwah said.

Faced with two job candidates with similar experience and skills, Mr. Marwah said he would usually offer the client a Chinese executive over a Westerner.

But headhunters agree that expatriates still have a future in Hong

Kong, especially those with specialized skills. "If you are looking for a derivatives structured-risk manager you don't care whether he comes from Finland, if you have the best," said Mr. Marwah.

In recognition of the changing business climate, many of the perks reserved in the past for expats, like housing allowances and sports or social club memberships, are now being offered to local executives, headhunters and management consultants said.

"More and more employers are narrowing the gap between expatri-

ate and local remuneration," said Albert Chau, director of the employment consultant Wyatt Co.

Wyatt estimates that the average annual cash package for a chief executive of a securities company in Hong Kong is around 2.75 million Hong Kong dollars (\$352,500), including bonuses but excluding perks.

For the head of a general industrial company, it is far less, at 1.6 million dollars. The figures do not differentiate between expatriates and locals.

NYSE

Wednesday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

(Continued)

12 Month High	Low	Stock	Div.	Yld	PE	1992 High	Low	1993 High	Low	1993 Div
100	90	IBM	3.00	4.5	12	110	100	115	105	3.50
120	110	Microsoft	0.00	0.0	15	100	90	110	100	0.00
150	140	Oracle	0.00	0.0	18	130	120	140	130	0.00
180	170	Novartis	0.00	0.0	20	160	150	180	170	0.00
200	190	Merck	0.00	0.0	22	180	170	200	190	0.00
220	210	Amgen	0.00	0.0	25	200	190	220	210	0.00
240	230	Genentech	0.00	0.0	28	220	210	240	230	0.00
260	250	Boehringer	0.00	0.0	30	240	230	260	250	0.00
280	270	Schering	0.00	0.0	32	260	250	280	270	0.00
300	290	Novartis	0.00	0.0	35	280	270	300	290	0.00
320	310	Amgen	0.00	0.0	38	300	290	320	310	0.00
340	330	Genentech	0.00	0.0	40	320	310	340	330	0.00
360	350	Boehringer	0.00	0.0	42	340	330	360	350	0.00
380	370	Schering	0.00	0.0	45	360	350	380	370	0.00
400	390	Novartis	0.00	0.0	48	380	370	400	390	0.00
420	410	Amgen	0.00	0.0	50	400	390	420	410	0.00
440	430	Genentech	0.00	0.0	52	420	410	440	430	0.00
460	450	Boehringer	0.00	0.0	55	440	430	460	450	0.00
480	470	Schering	0.00	0.0	58	460	450	480	470	0.00
500	490	Novartis	0.00	0.0	60	480	470	500	490	0.00
520	510	Amgen	0.00	0.0	62	500	490	520	510	0.00
540	530	Genentech	0.00	0.0	65	520	510	540	530	0.00
560	550	Boehringer	0.00	0.0	68	540	530	560	550	0.00
580	570	Schering	0.00	0.0	70	560	550	580	570	0.00
600	590	Novartis	0.00	0.0	72	580	570	600	590	0.00
620	610	Amgen	0.00	0.0	75	600	590	620	610	0.00
640	630	Genentech	0.00	0.0	78	620	610	640	630	0.00
660	650	Boehringer	0.00	0.0	80	640	630	660	650	0.00
680	670	Schering	0.00	0.0	82	660	650	680	670	0.00
700	690	Novartis	0.00	0.0	85	680	670	700	690	0.00
720	710	Amgen	0.00	0.0	88	700	690	720	710	0.00
740	730	Genentech	0.00	0.0	90	720	710	740	730	0.00
760	750	Boehringer	0.00	0.0	92	740	730	760	750	0.00
780	770	Schering	0.00	0.0	95	760	750	780	770	0.00
800	790	Novartis	0.00	0.0	98	780	770	800	790	0.00
820	810	Amgen	0.00	0.0	100	800	790	820	810	0.00

12 Month High	Low	Stock	Div.	Yld	PE	1992 High	Low	1993 High	Low	1993 Div
100	90	IBM	3.00	4.5	12	110	100	115	105	3.50
120	110	Microsoft	0.00	0.0	15	100	90	110	100	0.00
150	140	Oracle	0.00	0.0	18	130	120	140	130	0.00
180	170	Novartis	0.00	0.0	20	160	150	180	170	0.00
200	190	Merck	0.00	0.0	22	180	170	200	190	0.00
220	210	Amgen	0.00	0.0	25	200	190	220	210	0.00
240	230	Genentech	0.00	0.0	28	220	210	240	230	0.00
260	250	Boehringer	0.00	0.0	30	240	230	260	250	0.00
280	270	Schering	0.00	0.0	32	260	250	280	270	0.00
300	290	Novartis	0.00	0.0	35	280	270	300	290	0.00
320	310	Amgen	0.00	0.0	38	300	290	320	310	0.00
340	330	Genentech	0.00	0.0	40	320	310	340	330	0.00
360	350	Boehringer	0.00	0.0	42	340	330	360	350	0.00
380	370	Schering	0.00	0.0	45	360	350	380	370	0.00
400	390	Novartis	0.00	0.0	48	380	370	400	390	0.00
420	410	Amgen	0.00	0.0	50	400	390	420	410	0.00
440	430	Genentech	0.00	0.0	52	420	410	440	430	0.00
460	450	Boehringer	0.00	0.0	55	440	430	460	450	0.00
480	470	Schering	0.00	0.0	58	460	450	480	470	0.00
500	490	Novartis	0.00	0.0	60	480	470	500	490	0.00
520	510	Amgen	0.00	0.0	62	500	490	520		

SPORTS BASEBALL

Valenzuela Wins, 2 1/2 Years After His Last Victory

The Associated Press
All that came between victories for Fernando Valenzuela was the near loss of his career in major league baseball.

But throwing the screwball in the style that made him one of baseball's biggest winners in the 1980s, Valenzuela got his first victory since 1990 by pitching a two-hitter for the Baltimore Orioles on Tuesday night in a rain-shortened 7-0 victory over the Cleveland Indians.

"The win is great, but I'm not that excited," he said.

The game was called off because of rain after the Indians batted in the top of the eighth.

Valenzuela's last shutout came in his most memorable game in 1990, for the Los Angeles Dodgers against the St. Louis Cardinals. He last won on Sept. 14, 1990.

Since then, not much had gone right. He was cut by the Dodgers in spring training in 1991, was hit hard in two starts for California later that season, then spent last year in the Mexican League, hoping for a call that never came.

This spring, the Orioles gave the 32-year-old Valenzuela another chance, and he was roughed up in his first two starts.

Lately, Valenzuela had pitched well. But even with a 2.70 earned-run average in his last three starts, he had no victories to show for it.

Against the Indians, he struck out six and walked three. He has allowed only four runs in his last 30 1/3 innings, lowering his ERA to 3.72.

"My arm feels strong and all my stuff was working pretty good—especially my screwball," he said.

Valenzuela was so sharp that switch hitter Carlos Baerga batted from both sides against the left-hander. It didn't help, as Baerga went 0 for 3.

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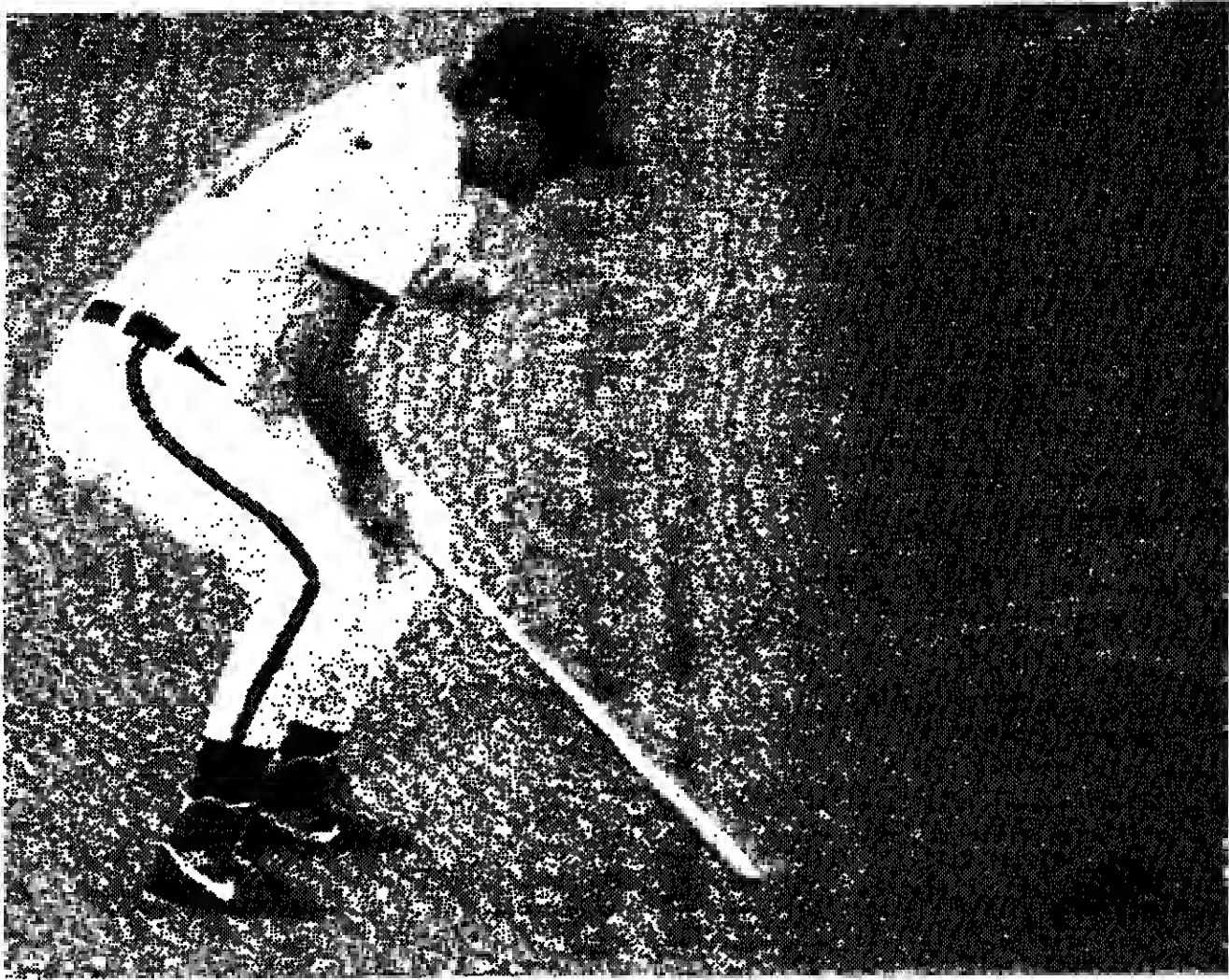
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Sanders Returning to Braves

The Associated Press

ATLANTA—Deion Sanders, who left the Atlanta Braves in a contract dispute and unhappy with his lack of playing time, is to return to the team after a few days working out at an extended spring training camp in West Palm Beach, Florida.

The Braves put Sanders on the disqualified list April 29, when he did not return after attending his father's funeral in Fort Myers, Florida. He has missed 19 days and, at \$11,000 per day, lost a total of \$209,000 from his \$1 million salary.

His contract with the Braves runs through July 31, when he is to return, and he is to be paid for his

report to the National Football League's Atlanta Falcons, for whom he is a Pro Bowl cornerback and return man.

The Braves had offered him a three-year contract for \$11 million with a club option for a fourth year. Sanders was seeking a three-year deal for \$12 million without a club option for a fourth year.

"It's the same contract that's been on the table all the time," said the Braves' general manager, John Schuerholz.

"Deion has passed his time of personal turmoil, and we said all along the door was open for his

return, and he decided to do that," Schuerholz said.

"We've discussed a variety of details, and we don't expect that something like this will happen again," he said, adding that Sanders could rejoin the Braves this week.

Sanders came by the clubhouse during the Montreal game and picked up some of his equipment, but was not available for comment. Neither was his agent, Eugene Parker, who was in Atlanta the last few days.

In 13 games this season, Sanders was hitting .281 with one home run and five RBIs.



Pierre Turgeon, in the grasp of the Canadiens' Patrice Briere, returned for the Islanders and scored the first goal of the game.

2 Overtimes Later, Canadiens Are 2-0

Compiled by Our Staff From Dispatches

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Taking a page from the Islanders' book, the Canadiens squeezed out a 4-3 double-overtime victory Tuesday night for a 2-0 lead in the Wales Conference series of the National Hockey League's playoffs.

The victory was the Canadiens' 10th straight in the playoffs, a club record and one shy of the league mark of 11 straight in one playoff year, set last spring by Chicago and Pittsburgh. Seven of Montreal's 12 playoff games have gone to overtime, with the Canadiens winning the last six, while the Islanders lost for the first time in five overtime games this year. And, it was only their eighth loss in 37 overtime playoff games in franchise history.

Stephan Lebeau scored his second goal of the game at 6:21 of the second extra period after Vincent Damphouse carried the puck into the Islanders' zone from center ice and passed to Lebeau. He beat Glenn Healy with a slapshot from the top of the right circle.

"It was a great shot," Healy said, "but you have to find ways to stop that."

The Canadiens had tied the score on a goal by Paul DiPietro at 14:50 of the third period, when his shot from the slot got through a tangle of players.

The good news for New York was that star center Pierre Turgeon returned to action and appeared to be recovered from the separated shoulder suffered in the first round against Washington.

Turgeon had a goal and an assist, and was the Islanders' most dangerous forward.

"I felt fine," he said. "It's maddening to lose, but you've got to keep a positive attitude. We all know we played well enough to win."

Turgeon scored the game's first goal, at 13:41 of the opening period, off a pass from Vladimir Malachov. But the Canadiens rallied with goals from Brian Bellows and Lebeau in the second period.

Montreal goaltender Patrick Roy let in a weak one—a long shot from Steve Thomas that got through his pads—at 10:31 of the third period, and David Volok put the Islanders in front at 12:41.

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STANLEY CUP

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Valenzuela's last shutout came in his most memorable game in 1990, for the Los Angeles Dodgers against the St. Louis Cardinals. He last won on Sept. 14, 1990.

Since then, not much had gone right. He was cut by the Dodgers in spring training in 1991, was hit hard in two starts for California later that season, then spent last year in the Mexican League, hoping for a call that never came.

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Lately, Valenzuela had pitched well. But even with a 2.70 earned-run average in his last three starts, he had no victories to show for it.

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"I got the big hit to help win the ball game, but I've still got a long way to go," Davis said.

Kevin Gross pitched a six-hitter with two walks and seven strikeouts as the Reds lost their second straight after winning seven in a row.

Davis, who had just one homer in 116 at-bats this year and only two hits in his previous 29 at-bats, drove a 1-2 pitch from John Smiley over the left-field wall in the fifth inning.

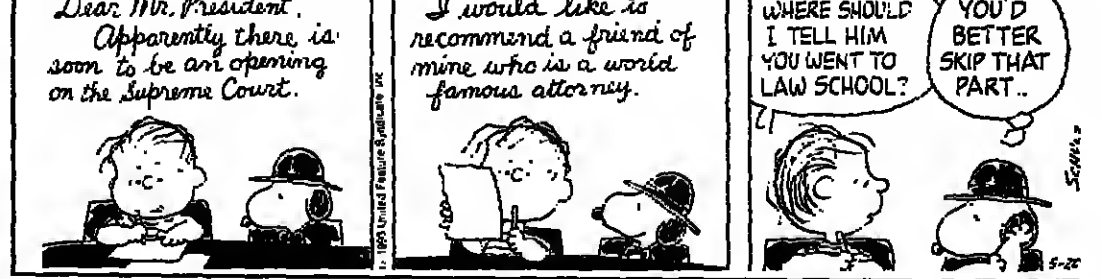
The RBIs were the first for Davis since April 30, and the homer only his fourth extra-base hit of the season.

The Dodgers acquired Davis, 30, from the Reds on Nov. 27, 1991, but he's been hampered by injuries since being reunited with his Los Angeles.

DENNIS THE MENACE



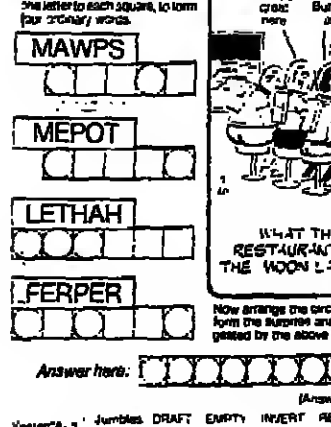
PEANUTS



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NYSE

Wednesday's Closing
Table shows the nationwide prices up or down from the closing on Wall Street and do not reflect intra-trade discounts. Via The Associated Press

(Continued)

Table with columns: 12 Month High/Low, Div, Yld, PE, High, Low, Last, Change. Lists various stocks and their prices.

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INTERNATIONAL FUNDS

May 19, 1993

Questions supplied by fund firms. Not all mutual fund questions are applied by the Funds listed with the exception of some quotes based on issue prices.

The symbol indicates frequency of quotations supplied: (d) - daily; (w) - weekly; (bi) - bi-monthly; (q) - quarterly; (m) - monthly.

Large table listing various international funds with columns for fund name, 12 Month High/Low, Div, Yld, PE, High, Low, Last, Change.

For information on how to list your fund, fax Simon OSBORN at (33-1) 46 37 21 33.

SPORTS BASEBALL

Valenzuela Wins, 2 1/2 Years After His Last Victory

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AL ROUNDUP

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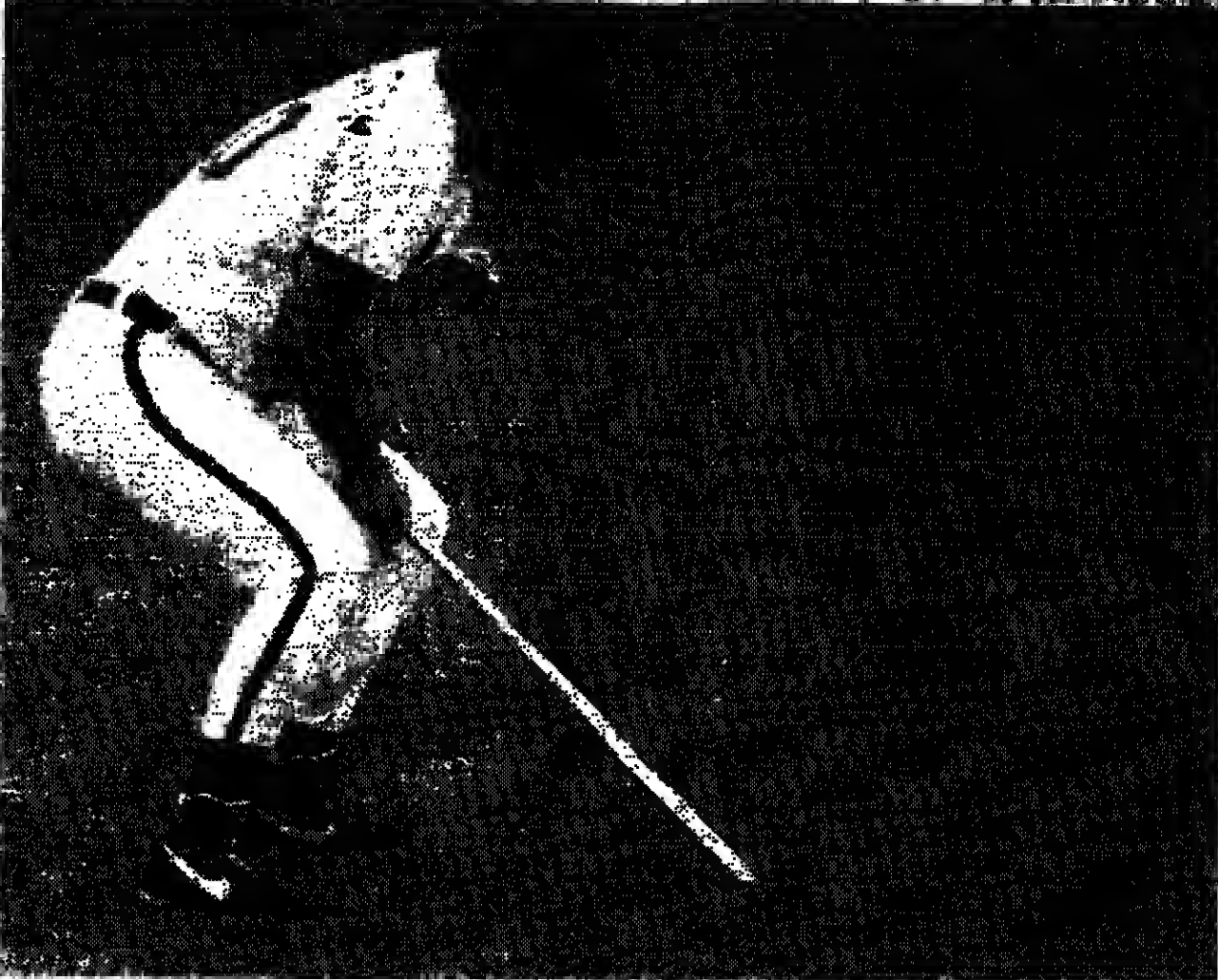
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STANLEY CUP

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Edberg Falls But Swedes Beat Czechs

The Associated Press
DUSSELDORF — Petr Korda's 6-1, 6-1 rout of Stefan Edberg wasn't enough Wednesday to stop Sweden from beating the Czech Republic at the World Team Cup.

Sweden won, 2-1, and Germany slipped past France, 2-1, to set up a clash Friday between the two undefeated leaders of the Red Group.

Korda used his accurate forehand to breeze to victory in just 55 minutes on the clay courts as Edberg double-faulted on matchpoint.

In the second singles, Magnus Larsson beat Daniel Vacek, 6-3, 6-1. Edberg redeemed himself in the deciding doubles match, as he and Anders Jarryd outlasted Korda and Cyril Suk, 6-7 (7-4), 7-6 (9-7), 7-6 (7-3), in a match interrupted several times by rain.

The Czechs, top-seeded in the group, have fallen into third place after Karel Novacek fell ill during Monday's loss to Germany.

Germany's victory Wednesday was also decided in doubles, with Michael Stich and Patrick Knippen defeating Arnaud Boetsch and Henri Leconte, 6-3, 6-4.

Stich had beaten Fabrice Santoro, 1-6, 6-3, 6-3, after falling behind by 3-1 in the third set.

In the other singles, Germany's Carl-Uwe Steeb wasn't able to regain his early form after a rain delay and fell to Boetsch, 4-6, 6-4, 6-4.

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The Dodgers acquired Davis, 30, from the Reds on Nov. 27, 1991, but he's been hampered by injuries since being reunited with his Los Angeles.

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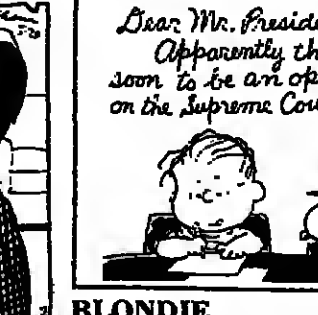
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"HE HAS HIS MOTHER'S HAIR, HIS MOTHER'S EYES, AND ALL OF MY TOOLS."

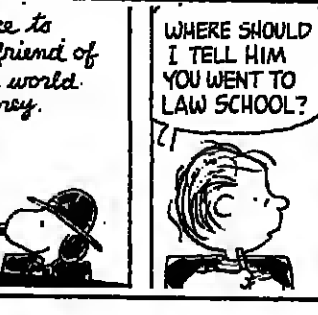
PEANUTS



BLONDIE



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WIZARD OF ID



REX MORGAN



JUMBLE THAT SCRAMBLED WORD GAME

Unscramble these four jumbles, and you'll have a word that fits the clue. Write the word in the space provided.

MAWPS: _____

MEPOT: _____

LETHAH: _____

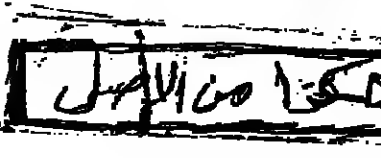
FERPER: _____

Answer here: _____

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SPORTS SOCCER

Knicks Thwart Hornets — Now Come the Bulls

By Clifton Brown
New York Times Service

NEW YORK — The New York Knicks will not play the Charlotte Hornets again until next season, plenty soon enough as far as the New Yorkers are concerned.

Thanks to Charles Oakley, who gave them 21 points and 11 rebounds, the Knicks wrapped up their Eastern Conference semifinal, four games to one, with a scintillating 105-101 victory on Tuesday night in Madison Square Garden.

That put the Knicks into the conference finals for the first time since 1974. And it

being fouled by Charles Smith. Curry added the free throw, making the score 99-96 with 1:04 left.

Then New York got another big play. Dribbling at midcourt, Rivers spotted Oakley alone under the basket. A bullet pass led to a lay-up as Oakley was being fouled by Larry Johnson. Oakley did a war dance, pumped his arms, then screamed with joy in Johnson's face.

But Oakley missed the free throw, and the score was 101-96 with 55.1 seconds to go. Johnson answered with a reverse lay-up, cutting New York's lead to 101-98 with 40 seconds left.

Then, after a timeout, Smith missed a 12-footer, but as Smith and Johnson chased the long rebound, the ball went out of bounds off Johnson. Slarks was fouled by Gill on the inbound pass with 20 seconds to play, and made both free throws for a five-point lead.

Now the Hornets were dead? Not yet. After Curry missed a 3-pointer, Bogues chased down the rebound, then passed to Gill, whose 3-point bomb from the top of the key gave him 26 points and made it 103-101 with 11.6 seconds left. Slarks was fouled immediately, and he made both free throws to give New York a four-point lead with 10 seconds to play.

Alonzo Mourning missed a desperation 3-pointer from the key, then Gill had a 3-pointer blocked by Anthony Mason, who then knocked the ball out of bounds off Gill with .09 seconds to play. The Knicks rebounded, and then the Hornets were finally done.

Mourning and Ewing, good friends, embraced at halfcourt when it was over. Mourning, who got 22 points and 12 rebounds, had established himself as one of the game's rising stars. Ewing had based his dream of winning an NBA title kept alive.

NBA PLAYOFFS

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Either the Knicks will dethrone the Bulls, or Chicago will be that one step away from winning its third consecutive title. Either way, the outcome should be memorable.

"It's great to finally get through these first two rounds," said the Knicks' coach, Pat Riley. "It's been a real grind. We faced a very committed Charlotte team that gave us probably more than we expected."

"I thought we were very tight the first two rounds. There was a lot of pressure on us, a lot of expectations. You could feel it. I think our team really wanted to get there — to play the world champs. Now that we're there, maybe we can use the next five days to gather ourselves and regroup. It's going to be a great challenge. They're a great team. It's the two of us trying to get to the finals. That's what it's all about."

As for the Hornets, they made every Knicks victory difficult in this series. And they might have forced a Game 6 if not for Oakley, who stepped forward on a night when Patrick Ewing was ineffective, fouling out with nine points, 21 under his average for the first four games of the series. It was his lowest point total since he scored four on March 3, 1992, against Dallas.

Ewing departed with 3 minutes, 14 seconds to play, and the Knicks leading 94-87. He spent the rest of the game cheering passionately from the bench as his teammates, particularly Oakley, John Starks and Doc Rivers, rose to the occasion.

But Ewing's absence helped set up a hair-raising finish. A 12-foot jumper by Muggsy Bogues pulled Charlotte to 96-93, with 1 1/2 minutes left. Then Starks, who scored 20, answered with one of his many clutch shots of the season — a 25-foot, 3-pointer from the deep right corner over Kendall Gill to give New York a 99-93 lead.

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RED TIDE EBBING — The Urawa Reds' Yukinori Muramatsu played heads up against Gary Lineker, but the Nagoya Grampus Eight, for whom the English striker plays, got its first victory, 3-0, in Japan's new J-League.

Juventus Beats Dortmund 3-0 For UEFA Cup

TURIN — Juventus lifted the UEFA Cup for the third time Wednesday night when it beat Borussia Dortmund 3-0 on Wednesday to complete a crushing 6-1 aggregate victory.

Midfielder Dino Baggio struck twice in the first half, his first in only the fifth minute, effectively ending the hopes of the Germans, already 3-1 down from the home leg of the final.

Baggio headed a second goal five minutes before the break to set off joyous celebrations among the Turin fans.

Andreas Möller of Germany, playing against one of his former clubs, added a third goal in the 65th minute.

Möller saw an attempted clearance from Dortmund substitute Thomas Franck cannon off his shin and into the net. It was lucky break for Juventus but a cruel blow for a German side missing several first-choice players.

The result is a fitting end to a season in which Juventus, Italian champions a record 22 times, had come under heavy criticism recently for their failure to sustain a title challenge.

Dino Baggio stepped out of the shadow of his illustrious club and country teammate, Roberto Baggio, with two fine finishes.

He thumped a rising drive into the roof of the net in the opening minutes after striker Gianluca Vialli had set him up with a classy back-heel.

The Juventus player was credited with his fifth goal in the Cup this season when he and Vialli jumped together for a free kick in the 40th minute.

Captain Roberto Baggio, widely promoted as European footballer of the year after his stellar display in Dortmund, thrilled the crowd with some superb second half runs but did not play well against a team that has yet to score a goal in a World Cup qualifying match.

Kevin Gallacher scored two minutes before halftime, then John Collins and Scot Booth added goals in the 59th and 73rd minutes.

Seven minutes before halftime, Toomas Kalaste's shot evaded goalkeeper Bryan Gunn but bounced off the bar. The Scots controlled the match after that.

Andy Roxburgh, Scotland's manager had promised to rebuild the team following a 5-0 humiliation by Portugal last month. But Wednesday's match proved to be a slow and often uninspiring affair.

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Scotland is now tied with Portugal for fourth place in the group, each having six points but Portugal having played one match less. Switzerland leads the standings with 12 points, followed by Italy with 10.

Sweden 1, Austria 1; In Stockholm, Jan Eriksson's goal in the 50th minute won the Group 6 qualifier.

That put Sweden one point behind Bulgaria and two behind France, while having played five matches to Bulgaria's seven and France's six. Austria is fourth, with four points.

'New' Scots Beat Estonia, Play Like Old

Compiled by Our Staff From Dispatches

TALLINN, Estonia — Scotland defeated Estonia, 3-0, in a European Group 4 match Wednesday but did not play well against a team that has yet to score a goal in a World Cup qualifying match.

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"They should take the film of the second half, save it, and then show it to people whenever they want to see how a man plays basketball," said Paul Westphal said after his Phoenix Suns rallied from seven points down to beat the San Antonio Spurs, 109-97, for a 3-2 lead in their Western Conference semifinal.

"There have been very few guys who have risen to the occasion like that," Westphal added. "I've seen Jerry West do stuff like that. I've seen Michael Jordan do stuff like that. Havlicek, Kareem, Magic, Bird... not too many more."

What Barkley did was outscore the Spurs by 19-14 and rebounded them by 6-4 in the fourth quarter. He finished with 36 points and 12 rebounds after taking just two shots in the first half.

"It was a weird first half," said Barkley, who made 10 of 14 shots in the final two periods and scored 28 points. "They were doubling me and making me pass it. So I said, 'If I can't score, I'll go to the glass and see if I can make something else happen.'"

Barkley, breaking out of a slump that has lasted most of the playoffs, scored 19 of his 36 points in the final period after the Spurs took an 85-78 lead on Sean Elliott's dunk with 11:04 remaining.

San Antonio, which won the rebounding battle in each previous game with an average of 12, was out rebounded by 31-27 this time.

SuperSonics 128, Rockets 95; Ricky Pierce scored 24 points and Gary Payton added a playoff career-high 23 in Seattle as their team took a 3-2 lead in the other Western Conference semifinal.

Shawn Kemp had 19 points and 12 rebounds for the Sonics.

Hakeem Olajuwon had 26 points and 14 rebounds for Houston, but had not block a shot after stopping 22 in the first four games of the series. Teammate Vernon Maxwell, averaging 17.5 points, was limited to six on 2-of-13 shooting.

Beaten at Houston by 18 and 11 points during the weekend, the Sonics had the best shooting night of the series — 55 percent, making 48 for 88.

Their starting backcourt, Pierce and Payton, outscored the Rockets' starting backcourt of Maxwell and Kenny Smith by 47-18. Smith, with 12 points, and Maxwell were a combined 4 for 20 from the floor while Pierce and Payton were 20 for 35.

SCOREBOARD

Major League Standings

AMERICAN LEAGUE

East Division	W	L	Pct.	GB
Detroit	27	16	.625	0
New York	22	21	.512	5 1/2
Toronto	20	23	.465	7 1/2
Baltimore	19	24	.442	8 1/2
Chicago	15	28	.348	12 1/2

West Division

W	L	Pct.	GB	
California	20	17	.542	0
Texas	19	18	.514	1 1/2
Seattle	19	19	.500	2 1/2
Kansas City	17	21	.445	5 1/2
Minnesota	14	24	.366	8 1/2
Oakland	14	21	.400	8 1/2

NATIONAL LEAGUE

East Division

W	L	Pct.	GB	
Philadelphia	27	16	.625	0
Atlanta	22	21	.512	5 1/2
Chicago	19	19	.500	5 1/2
Pittsburgh	19	19	.500	5 1/2
St. Louis	16	22	.420	8 1/2
Florida	16	22	.420	8 1/2
New York	12	25	.324	12 1/2

West Division

W	L	Pct.	GB	
San Francisco	26	14	.650	0
Houston	22	16	.577	4 1/2
Cincinnati	19	19	.500	5 1/2
Los Angeles	16	22	.420	8 1/2
San Diego	16	22	.420	8 1/2
Colorado	12	27	.308	13 1/2

NBA PLAYOFFS

CONFERENCE SEMIFINALS

Eastern Conference

Game	Home	Score	Away
1	New York	109	97
2	San Antonio	109	97

Western Conference

Game	Home	Score	Away
1	Seattle	128	95
2	Houston	128	95

HOCKEY

Stanley Cup Playoffs

CONFERENCE FINALS

NHL

Game	Home	Score	Away
1	Montreal	2	1
2	Montreal	2	1

SOCCER

DUTCH FIRST DIVISION

SVV/Dordrecht '90 2-1 PSV Eindhoven 2

WORLD CUP QUALIFIERS

FRENCH CUP

ASVEL 2-1 ASVEL

SIDELINES

Tables Turned on 2 Swedish Stars

GOTHENBURG (Combined Dispatches) — Patrick Chila, 23, of France, who had to qualify to get into the tournament, pulled off one of the greatest upsets of the World Table Tennis Championships by beating defending champion Jorgen Persson of team champion Sweden, 2-1, 2-1, 2-1, 2-1, in Wednesday's first round of the men's singles.

Persson, with arguably the most spectacular backhand in the world, described the 21-14, 21-4, 21-17 loss as "the worst 15 minutes of my life."

Then teammate Peter Karlsson, at 23 regarded as one of Sweden's rising stars, was beaten, 16-21, 21-11, 21-11, 21-16, by Vladimir Samsonov of Belarus.

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For the Record

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Red Auerbach, 75, the president of the NBA Boston Celtics, was released from a hospital following two procedures to clear blocked arteries. (AP)

Sherry Davis, the NBA Dallas Mavericks' forward whose left elbow was shattered in an automobile accident, underwent reconstructive surgery but doctors said it was too soon to tell if he can play basketball again. (AP)

Tuesday's Line Scores

AMERICAN LEAGUE

Team	W	L	Pct.
New York	22	21	.512
Minnesota	14	24	.366

NATIONAL LEAGUE

Team	W	L	Pct.
San Francisco	26	14	.650
Atlanta	22	16	.577

CRICKET

FIRST ONE-DAY INTERNATIONAL

England vs. Australia

England: 254-135 (overs)

Australia: 254-135 (overs)

TRANSACTIONS

BASEBALL

AL—Suspended Albert Belle, Cleveland Indians outfielder, for 3 games for charging Kansas City pitcher Mark Wohlers during game May 13.

ML—JAMES MADISON—Normed Woody Self, pitcher, vice president and general counsel.

TEXAS—Activated Don Smith, pitcher.

BRIDGE

By Alan Truscott

CIRCUMSTANCES alter cases, in bridge as in other activities. The normal way to play a suit combination may be wrong in the light of the bidding.

The diagrammed deal from the Reno, Nevada, makes the point.

North-South climbed to the no-man's land of five hearts after an unusual auction. The rare rebid of four diamonds by North showed, in the partnership style, a raise to four hearts with four-card support and diamond length.

South moved toward slam, but subsided in five hearts when the Roman Key-Card Blackwood response of five hearts indicated that the partnership was missing one key card and the heart queen.

BRIDGE

South won the spade lead with the ace and cased the heart ace with a fatal result: down one.

This was the normal play to guard against any singleton in the East hand, but South should have considered that the bidding made it unlikely that West held heart length as well as spade length. This would have been more obvious if West, as one would expect, had bid his spade suit with pre-emptive vigor.

Right was to lead to the heart king, allowing declarer to lead next to the eight and hold his trump losers to one.

This succeeds not only when the hearts are 3-2 but also whenever West holds a singleton queen, jack or nine.

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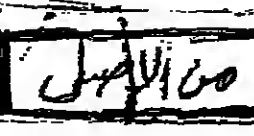
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SPORTS SOCCER

Knicks Thwart Hornets — Now Come the Bulls

By Clifton Brown
New York Times Service

NEW YORK — The New York Knicks will not play the Charlotte Hornets again until next season, plenty soon enough as far as the New Yorkers are concerned.

Thanks to Charles Oakley, who gave them 21 points and 11 rebounds, the Knicks wrapped up their Eastern Conference semifinal, four games to one, with a scintillating 105-101 victory on Tuesday night in Madison Square Garden.

That put the Knicks into the conference finals for the first time since 1974. And it

being fouled by Charles Smith. Curry added the free throw, making the score 99-96 with 1:04 left.

Then New York got another big play. Dribbling at midcourt, Rivers spotted Oakley alone under the basket. A bullet pass led to a lay-up as Oakley was being fouled by Larry Johnson. Oakley did a war dance, pumped his arms, then screamed with joy in Johnson's face.

But Oakley missed the free throw, and the score was 101-96 with 55.1 seconds to go. Johnson answered with a reverse lay-up, cutting New York's lead to 101-98 with 40 seconds left.

Then, after a timeout, Smith missed a 12-footer, but as Smith and Johnson chased the long rebound, the ball went out of bounds off Johnson. Slarks was fouled by Gill on the inbound pass with 20 seconds to play, and made both free throws for a five-point lead.

Now the Hornets were dead? Not yet. After Curry missed a 3-pointer, Bogues chased down the rebound, then passed to Gill, whose 3-point bomb from the top of the key gave him 26 points and made it 103-101 with 11.6 seconds left. Slarks was fouled immediately, and he made both free throws to give New York a four-point lead with 10 seconds to play.

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"It's great to finally get through these first two rounds," said the Knicks' coach, Pat Riley. "It's been a real grind. We faced a very committed Charlotte team that gave us probably more than we expected."

"I thought we were very tight the first two rounds. There was a lot of pressure on us, a lot of expectations. You could feel it. I think our team really wanted to get there — to play the world champs. Now that we're there, maybe we can use the next five days to gather ourselves and regroup. It's going to be a great challenge. They're a great team. It's the two of us trying to get to the finals. That's what it's all about."

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(AP, Reuters)

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Minnesota	19	25	.432	8 1/2
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Cleveland	13	27	.326	14 1/2

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Texas	20	17	.542	3 1/2
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NBA Playoffs

CONFERENCE SEMIFINALS

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SIDELINES

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Japanese Leagues

Central League

W	L	Pct.	GB	
Hiroshima	16	13	.556	0
Yokohama	16	13	.556	0
Yokohama	16	13	.556	0
Yokohama	16	13	.556	0

Pacific League

W	L	Pct.	GB	
Saitama	16	13	.556	0
Niigata	16	13	.556	0
Yokohama	16	13	.556	0
Yokohama	16	13	.556	0

CRICKET

FIRST ONE-DAY INTERNATIONAL

England vs. Australia

West Indies in Manchester, England

Australia: 254-135 (overs)

England: 254 (54.3 overs)

TRANSACTIONS

BASEBALL

AL—Suspended Albert Belle, Cleveland Indians outfielder, for 3 games for charging Kansas City pitcher Mark Cimber during game May 13.

ML—JAMES MADISON—Horned Waterbury State vice president and general counsel.

TEXAS—Activated Don Smith, pitcher.

Tuesday's Line Scores

AMERICAN LEAGUE

New York	8	0	0	0
Minnesota	3	0	0	0
Atlanta	3	0	0	0
San Francisco	2	0	0	0
Houston	2	0	0	0
Philadelphia	2	0	0	0
Los Angeles	2	0	0	0
Chicago	2	0	0	0
San Diego	2	0	0	0
Seattle	2	0	0	0
St. Louis	2	0	0	0
San Francisco	2	0	0	0
Houston	2	0	0	0
Philadelphia	2	0	0	0
Los Angeles	2	0	0	0
Chicago	2	0	0	0
San Diego	2	0	0	0
Seattle	2	0	0	0
St. Louis	2	0	0	0
San Francisco	2	0	0	0
Houston	2	0	0	0
Philadelphia	2	0	0	0
Los Angeles	2	0	0	0
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San Diego	2	0	0	0
Seattle	2	0	0	0
St. Louis	2	0	0	0
San Francisco	2	0	0	0
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Philadelphia	2	0	0	0
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San Diego	2	0	0	0
Seattle	2	0	0	0
St. Louis	2	0	0	0
San Francisco	2	0	0	0
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Philadelphia	2	0	0	0
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Chicago	2	0	0	0
San Diego	2	0	0	0